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NEWS SUMMARY

GENERAL

Trident crash kills 200

...ut 200 people were feared ...ed when a British-built ...ident aircraft crashed in the ...tern outskirts of Peking ...erday shortly after take-off.

...ccording to witnesses the ...raft, with 12 crew members ... passengers aboard, crashed ... a factory near the city's air-..., Japan's Kyodo news service ...rted from Peking.

... Jordanian Airlines Boeing ...crashed in a thunderstorm at ...a airport in Qatar, killing 45 ...le and injuring 19 others ...oard. Page 4

...ry caution

...ervative leaders have ...led not to commit them-...es at present on Scottish ...onal Party moves to press ...vote of no confidence in the ...rnment because of delays ... Scottish devolution. Back

...rture claim

...Robert Irwin, the forensic ...cal officer whose statements ...lleged police maltreatment ...orthern Ireland prisoners ... challenged by the Ulster ... Constable, has called for ...dependent inquiry into his ...ds.

...ssure pacts

...omic co-operation agree-...s signed between India ...Russia are thought to be ...of the heavy Soviet pres-...on Indian Prime Minister ...ji Desai to agree to the ...an assessment of the ...-Vietnam conflict. Page 4

...hing deal

... and Portugal have settled ...pute over the renewal of ...nt fishing agreement fol-...g Portugal's newly ...ded 200 miles fishing zone.

...stectomy hope

...en needing mastectomy for ...t cancer can have cosmetic ...y on the National Health, ... Ulster Hospital at Dun-...d, Co. Down, announced. A ...ne "gel" will be put under ...kin during the operation.

...hes peace bid

... Society of Graphical and ...d Trades executive joined ... print unions in backing a ...la for resuming talks on ...Times Newspaper dispute, ...g hopes of publication ... resumed by April 17.

...odesian raid

...esian jets bombed the ...nbican town of Chokwe for ... second time this week, ...g 16 people and injuring ..., Mozambique reported.

...ssport held

... Africa has impounded ...assport of General Hendrik ...en Bergh, former chief of ...curity police BOSS. Page 4

...efly ...

...sraeli soldier was freed ...change for 66 Palestinian ...ners, including six women, ...deal arranged by the Red ... Page 4

... clashes between Afghan ... units and rebel Moslem ...ers were reported in ... province. Page 4

...a Television's suspence ..., Tales of the Unexpected, ...een sold in the U.S. for

...ree-year-old boy missing ... his home in Harmonds-..., Middlesex, since Sunday ...ound drowned in a nearby

...rong earthquake rocked ... of Mexico, killing at least ...person and destroying a ...er of buildings.

BUSINESS

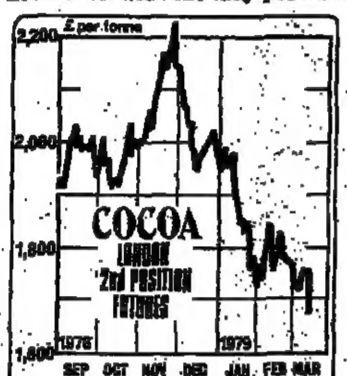
Equities up 3.3: Cocoa falls

● **EQUITIES** rose as institutional demand revived, but, on reports of possible industrial trouble ahead, the FT ordinary share index closed below its best with a gain of 3.3 to 509.9.

● **GILTS** fell after hours with the Government Securities Index 0.35 down at 72.29.

● **STERLING** fell 25 points to $2.0370 and its trade-weighted average fell to 65.1 (65.3). The dollar's depreciation widened to 8.4 per cent (8.3).

● **COCOA** futures fell sharply in London with the May position



losing £77.25 to £1,673.75 a tonne, its lowest since June. Page 39

● **GOLD** fell $1/2 to $239 1/4 in London.

● **WALL STREET** was 8.35 up at 847.28 just before the close.

● **MIDLAND** and Barclays banks will be founding members of the London Enterprise Agency, to be set up in a month's time to channel help from large to small companies. Page 7

● **NEW MONETARY** measures proposed by the big banks to control building societies have been opposed by the chief general manager of Nationwide. Page 9

● **BRITAIN'S** wool textile industry had overseas earnings of £402.9m last year, £13.5m up on the previous year. Meanwhile, a Hong Kong government official has attacked EEC textile trading policies. China is trying to treble its sales of textiles to the Community. Page 6

● **OIL-EXPORTING** countries' total estimated revenues rose strongly in the final three months of last year—up $2.7bn to $32.8bn compared with the previous quarter. Page 10

LABOUR

● **ICI** is planning to cuts its 10,800-strong organics division workforce by nearly 2,000 over the next two years. Back page; News Analysis Page 8

● **COMPUTER** operators at the main RAF supply base at Stafford, are expected to strike from midnight as part of a new wave of selective strikes due to be announced today by Civil Service unions. Page 11

● **AKZO CHIMIE UK,** part of the Dutch chemicals group, plans to close its Kirkby PVC additives plant with the loss of 100 jobs. Page 7

● **METAL BOX** has dropped plans to close its Portsmouth plastic film factory while it gives a three-year strategy plan, prepared by unions, a monitored trial. Page 8

COMPANIES

● **F. W. WOOLWORTH**, the multi-national retailer, reports record earnings for 1978 of $130.3m against $85.5m on sales up from $5.547bn to $6.11bn. Page 30.

● **BTR**, the UK-based engineering group, reports record pre-tax profits for 1978 of £42.5m, an increase of £12.8m. Page 33 and Lex.

● **BERGEN BANK**, Norway's second largest commercial bank, is cutting its dividend for 1978 to 6 per cent from 9 per cent. Page 31.

...EF PRICE CHANGES YESTERDAY

...es in pence unless otherwise indicated)

...es in pence unless otherwise indicated)

RISES:

...hnot Latham	170	+ 10
[illegible]	407	+ 24
...ord (S. W.)	207	+ 12
... (J.)	494	+ 18
...onian Hldgs.	170	+ 8
...es & Agency	82	+ 6
(Matthew)	265	+ 5
Samuel Wrnts.	250	+ 150
...ons Brne. End	138	+ 16
...ons	42	+ 5
[illegible]	69	+ 6
...s Bank	318	+ 8
Furniture	380	+ 25
...s	159	+ 10
...w	102	+ 12
Elect.	439	+ 9
Raybeck	116	+ 7
Robertson Foods	159	+ 6
Scottish Metropltn.	136	+ 4
600 Group	100	+ 6
Stock Conversion	338	+ 8
Stylo Shoes	98	+ 5
Sutcliffe Speakman	48	+ 9
Wilson (Connolly)	167	+ 7

FALLS:

Treas. 12% '83 A	£100½	− 1
Treas. 13¼% 2000-03 (£50 pd.)	£62¾	− ¼
Britannic Assurance	178	− 4
Fisons	317	− 6
Haslemere Ests.	280	− 6
Anglo Amer. Corp.	357	− 16
De Beers Defd.	442	− 23
Union Corp.	358	− 11

Middle East peace treaty terms agreed by Israel Cabinet

BY RICHARD JOHNS, MIDDLE EAST EDITOR

The Israeli Cabinet yesterday approved U.S. proposals for overcoming the remaining obstacles to conclusion of a peace treaty with Egypt and will endorse the draft in its entirety at its meeting next Sunday.

Only two members of the Cabinet abstained in the vote. Ratification by the Knesset (Parliament) is considered virtually certain now, although it will be bitterly criticised by its opponents.

Iraq, however, gave notice of the storm of Arab protest and opposition facing Egypt after conclusion of the bilateral peace treaty with Israel. Baghdad called for a meeting of Arab foreign and economic Ministers to discuss what sanctions could be invoked against Egypt immediately the agreement is signed.

Mr. Abdel-Hussein al Jamali, Iraqi Under-Secretary for Foreign Affairs, said the purpose of the gathering would be to implement the resolutions adopted by the Arab summit last November. Participants there decided to impose a boycott on Egypt and move the Arab League headquarters away from Cairo if President Anwar Sadat of Egypt reached a peace agreement with Israel based on the Camp David accords signed last September.

There was no immediate reaction from other Arab governments. However, the attitude of Jordan, which President Carter hopes will eventually join in the peace process, was reflected in comment by its State-supervised media. The newspaper Ad Destour said Egypt's decision was "an Arab disaster."

In Beirut, Mr. Yassir Arafat, chairman of the Palestine Liberation Organisation, has warned of intensified efforts to undermine Mr. Sadat's regime. Within the Palestinian resistance movement, increased discussion was reported of plans to attack American interests in the region.

Riots and strikes on the Israeli-occupied West Bank emphasised how slim the prospects are for its inhabitants to participate in plans for a form of a Palestinian autonomy in the territory. Such plans are one of the essential parts of the as yet unpublished treaty. They are also central to the hope expressed by President Carter on Tuesday night that the pact would be "the cornerstone of a comprehensive peace settlement in the Middle East."

Within a month of the signing of the Egyptian-Israeli treaty, negotiations will start on the future status of the West Bank and the Gaza Strip. But yesterday West Bank mayors who had previously condemned Mr. Carter's mission, said that the bilateral pact would only consolidate Israel's occupation of the territories.

President Carter returned home to a triumphant welcome when he touched down at Andrews Air Force base in the early hours of yesterday morning. For the moment he is basking in widespread adulation in the U.S. for having clinched the agreement.

The U.S. has continued to maintain complete secrecy about the details of the draft treaty.

According to unofficial reports, Egypt has undertaken to sell Israel oil on a commercial basis in response to the latter's demand for continued access to production from the Sinai oilfields, which it has been exploiting. But Egypt is not prepared to guarantee supplies. At the same time, the U.S. has promised to guarantee Israel's requirements for 15 years.

On the other issue it is reported that Israel has agreed to specify the stages of its pull-back in Sinai in return for an exchange of ambassadors when the withdrawal is complete.

Middle East news, Page 4
Editorial comment, Page 24

Price rise index moves into double figures

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

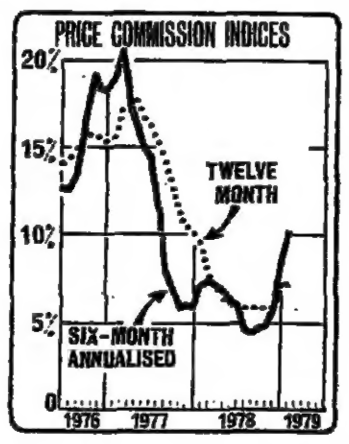
THE PRICE Commission index of price rises notified to it, which gives early warning of the trend in price rises, moved into double figures yesterday for the first time in 18 months.

The increase in the six months to the end of February expressed as an annual rate was 10.1 per cent, compared with a revised 8.7 per cent increase on the same basis in the six months to the end of January.

Price rises notified to the Commission by large companies during February, which the index reflects will not in the main filter through to the shops for another two to three months.

Although the return to double figures is a blow to the Government in its battle against inflation, the 1.4 per cent rise was less than had been expected after the 3 per cent jump last month.

This slower rate of rise in the Commission's index suggests that, while the retail price index



—the usual indicator of the inflation rate—is likely to move into double figures in the next few months, it may not rise significantly higher.

The retail price index for mid-January showed a 9.3 per cent rise, including seasonal foods, on a year before. The February index is due to be published tomorrow.

The Price Commission's index over the past 12 months, however, has remained constant at 7.3 per cent for both January and February. Its six-month index expressed as an annual rate is usually regarded as a better indicator of the trend in price rises than its 12-month index.

Although the Commission did not elaborate on the reasons for the move into double figures in February, one of the main factors is likely to have been dearer oil, forcing more companies to seek price increases to cover costs. The other main factor was the effect of wage settlements.

The 2p-3p a gallon increase in petrol prices planned by the chief oil companies is likely to be reflected in next month's index.

Breach of 5 per cent "not pay explosion," Back Page

BL 'midway through recovery'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL, FORMERLY British Leyland, reduced its net loss from £51.9m to £37.7m in 1978. Mr. Michael Edwardes, the group's chairman, said yesterday that the group was "midway through the recovery exercise," with considerable progress made in the restructuring programme.

He said that BL was raising a further £85m from a group of seven foreign and British overseas banks, taking the total of seven-year, unsecured loans raised from the private sector to £115m in three months.

"This is clearly a vote of confidence in the long term future of BL from the international banking community," Mr. Edwardes said.

Between the beginning of 1978 and the start of this month the BL workforce had been reduced by 15,000. "At a wild guess," Mr. Edwardes said, this could rise to 18,000 by the middle of the year.

The shut-down of the Southall, West London, lorry plant and the Vanden Plas specialist car plant at Kingsbury, north London, would go ahead as planned but there would be no further major plant closures this year.

Some £24.7m had been charged to the 1978 acounts mainly in respect of the Southall and Vanden Plas closures compared with £43.9m (mainly for the Speke TR7 plant closure) in 1977.

Mr. Edwardes said that manufacture was now "concentrated in the right number of plants with the right number of men. The next step, and this is already happening, is to ensure that production at those plants reaches profitable levels." The benefits of restructuring would not come through until late in 1979 and in 1980.

BL's trading profit, up from £56.7m to £71.3m last year, could increase substantially if there was consistent production, Mr. Edwardes claimed.

Last year the group lost £300m in sales and £50m in trading profit as a result of interruptions to production, particularly from "unconstitutional action."

Sales last year reached just over £3bn compared with £2.6bn in 1977.

This year much will depend on the parity payment scheme which aims to introduce the same rate for the same job throughout BL's cars division.

Mr. Edwardes made it clear that parity payments would not be made unless productivity reached the right level. It was unlikely that the next parity payment in May would be "triggered."

Continued on Back Page
Results, Page 26
Lex, Back Page

Healey hints at neutral Budget

By Elinor Goodman, Lobby Staff

MR. DENIS HEALEY, Chancellor of the Exchequer, yesterday set the scene for a broadly neutral Budget, possibly including further tax relief for the lower paid, offset by increases in other taxes.

Addressing the Parliamentary Labour Party, Mr. Healey repeated that his target was to keep public sector borrowing to £8.5bn in spite of wage inflation. He made it clear that while he sympathised with arguments for raising the tax threshold in real terms, any revenue lost would have to be recouped elsewhere.

His priority, he emphasised, was to curb inflation; growth would have to take second place until that had been achieved.

Mr. Healey, who was predictably pressed by Labour Left-wingers for a reflationary package, said the increase in pay this year had been "disappointing but not disastrous." His fears that a wage explosion would force the Government dramatically to tighten its fiscal and monetary policies had not been borne out and there was no need now for a "massive tightening."

By sticking to its fiscal-monetary policies, the Government was keeping the impact on inflation under control. But there could be no increase in public sector borrowing over the £8.5bn planned. Otherwise, interest rates would have to rise and stay higher over a period long enough to damage growth, investment and jobs.

In spite of his generally austere message to Labour backbenchers, he went some way to mollify them when he acknowledge that there was "a powerful case" for raising the tax threshold, taking more people out of the tax net.

Continued on Back Page
Editorial comment, Page 24
Economic Viewpoint, Page 25

Bank urges spending cuts

Cuts in public spending in order to reduce the need for tax increases and to contain public sector borrowing are called for by the Bank of England in its latest quarterly bulletin.
Back and Page 10

£ in New York

—	Mar. 13	Previous
Spot	$2.0395-0405	$2.0380-0390
1 month	0.37-0.32 dis	0.58-0.53 dis
3 months	0.56-0.51 dis	0.68 0.63 dis
12 months	1.70-1.50 dis	1.85 1.65 dis

Germans may favour farm policy reform

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government is moving strongly to the view that some reform of the Common Agricultural Policy is unavoidable, despite the failure of the EEC summit to endorse formally Britain's demands for a freeze on common farm prices.

Chancellor Helmut Schmidt is understood to have stressed the financial pressure for reform at the meeting in Paris, and Herr Josef Ertl, the West German Farm Minister, used a similar argument in Parliament yesterday.

The essential point made by Bonn is that expenditure on surplus farm production cannot grow beyond the capacity of the Community Budget to Finance it, and that Budget growth is itself limited.

Quite apart from Britain's warning at this week's summit in Paris that she might not pay her full contribution to the Community after 1981 unless reform is forthcoming, it is pointed out that there is an in-built ceiling on future Community finance which implies changes in farm policy.

This is because the Community is increasingly financing itself from its "own resources"—Customs duties, receipts from the common external tariff, levies on food imports—and a progressive contribution which cannot exceed 1 per cent of value-added tax.

The 1 per cent tax limit is expected to be reached in the early 1980s, and Herr Schmidt is understod to have made clear that he does not support a further rise. This view is believed to be shared, by among others, France.

More than 70 per cent of the Community Budget goes to agriculture, and much of that to open-ended price support of products already in surplus.

Herr Ertl, widely seen as the Community's principal defender of farming interests, broached the same issue when introducing the 1979 agricultural report in the Bundestag.

He said that neither the European Commission nor the Bonn Government could ignore the fact that surplus production in some sectors meant that the Community was coming close to exhausting available finance.

Consequences had to follow, he added, not least because continued functioning of the agricultural market regulations was in German farmers' interests.

He described a solution of the milk surplus problem as "urgently necessary," and said butter stocks had grown well beyond the precautionary level needed to ensure supplies.

Britain's stand on reform at the EEC Summit gained an unusually favourable reception yesterday in several influential West German newspapers, including the Frankfurter Allgemeine and the Stuttgarter Zeitung.

Grundelach attacks CAP, Page 2
UK accused of Europe budget default, Back Page

Callaghan claims summit success

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER scored a significant political success in the Commons yesterday when he said he had argued at the Paris Summit for Britain's national interests and for the long-term benefit of the European Community.

His confident attitude revitalised Labour MPs, who have been increasingly depressed at the Government's prospects since the referendum results, and also caught Mrs. Margaret Thatcher, the Conservative Leader, on the wrong foot.

The exchanges and the reaction of Labour backbenchers, showed that Mr. Callaghan intends to make maximum political use of the Common Market issue, particularly the need for radical reform of the Common Agricultural Policy, on the run-up to the General Election.

Some MPs believed he was paving the way for a possible election on June 7, provided he survives the spring when the Common Market would be certain to feature prominently because of the direct elections to the European Parliament on the same day.

The Prime Minister insisted that the Summit discussion on CAP was "the most realistic" he had attended, and that the Heads of Government had shown "a welcome recognition" that existence of surpluses and

Continued on Back Page
Parliament, Page 11

CONTENTS

Leasing finance: helping to cut the tax bill 24
Economic viewpoint: a letter to the Chancellor 25
Finland's election: Russia fears a Right turn 2
Advertising: persuaders prepare for the Polls 21
Lombard: John Cherrington looks at farming costs 22
Editorial comment: Middle East peace proposals: Budget strategy 24
Survey: off-shore inspection and maintenance 35-37

Agriculture	39	Euromarkets	30	Money & Exchngs.	34	UK News:	
American News	3	European News	2	Overseas News	4	General	7-10
Appointments	20	European Options	38	Parliament	11	Labour	11
Appts. Advts.	14-20	FT Actuaries	40	Racing	22	Unit Trusts	41
Arts	23	Intl Companies	30-31-33	Share Information	42-43	Weather	44
Base Rates	38	Jobs Column	14	Stock Markets:		World Trade News	6
Bus. Oppts.	28	Leader Page	24	London	40	ANNUAL STATEMENTS	
Commodities	39	Letters	25	Wall Street	38	Creditanstalt	33
Companies — UK	26-29	Lex	44	Bourses	38	Orion Bank	31
Contracts	9	Lombard	22	Technical	12	Scot. Equit. Ass.	27
Crossword	22	Marketing	21	Today's Events	25	R. Smallshaw	28
Econ. Indicators	30	Men & Matters	24	TV and Radio	22	Texas Comm. Bank	28
Entertain. Guide	22	Mining	28			UBAF Bank	27

For latest Share Index 'phone 01-246 8026

Lisbon's failure to name negotiator worries EEC

BY JIMMY BURNS IN LISBON

THE PORTUGUESE Government's failure to carry out the long awaited restructuring of the Portuguese Commission for European Integration, is causing considerable concern among EEC officials.

Portugal and the Community are due to resume accession negotiations at the beginning of next month but the Portuguese commission, which has been negotiating future membership, is in disarray.

Despite a pledge that it would issue a decree law to the effect last month, the Government in Lisbon has failed to name a successor to Dr. Vitor Constancio, the commission's former president.

Dr. Constancio, a member of the Socialist Party, resigned his post in February for "political and personal reasons," and has refused to reconsider his decision.

He has admitted that the nine-man staff of the commission has fulfilled its primary function: that of preparing and providing the necessary background data before negotiations could begin.

According to officials at the office here of the EEC's permanent representative, there is an urgent need for the Government not only to name a successor to Dr. Constancio but also to reconstitute a negotiating team on a more practical basis. This is believed to have been made clear to the Portuguese authorities by Sig. Lorenzo Natali, the vice-president of the EEC Commission, who was here briefly last week.

Formal negotiations on Portuguese accession to the Community began in Luxembourg last October, though talks only began in earnest in December. Next month, Portugal and the EEC are due to discuss the first items on the agenda—customs unions and external relations.

Community officials here stress that Portugal must not fall behind Spain's accession negotiations at this stage as it would complicate her future accession.

Agreement close on Azores base

BY OUR LISBON CORRESPONDENT

PORTUGAL and Washington will sign a long-delayed agreement next month on the continued use of the Lajes base on the Azores by U.S. forces, according to Sr. Joao Freitas Cruz, the Portuguese Foreign Minister. A previous agreement on the strategically important Atlantic island expired in 1974, and negotiations were subsequently interrupted by Portugal's political turmoils.

The announcement, made by Sr. Cruz during a television interview late on Tuesday night has met with only a guarded public response from U.S. officials here, however, suggesting that a few details may still need to be ironed out.

Difficulties concern the amount of U.S. aid Portugal is demanding in return for continued use of facilities on the island. Unofficially, the U.S. is expected to give Portugal around \$140m in military assistance and direct grants to the Azores.

The base at Lajes monitors Soviet submarine movements in the Atlantic and is crucial to the defence of the area.

Kirchschlaeger ends Prague state visit

BY PAUL LENDVAI IN PRAGUE

HUMANITARIAN issues involving family reunification and exit visas from Czechoslovakia was the main problem dealt with in a communique issued at the end of the four-day state visit to Prague by President Rudolf Kirchschlaeger, of Austria, yesterday.

While the Austrian side stressed bilateral aspects, the Czechs repeatedly brought up major international issues and Dr. Gustav Husak, the Czech leader, sharply attacked China for its "aggression" against Vietnam.

The Czechs said there could be no liberalisation of visa procedures between the countries, but Austrian officials stressed that some humanitarian problems were resolved. Dr. Husak has also accepted an invitation to visit Austria.

The Austrian President, who is a practicising catholic, yesterday met briefly, Cardinal Frantisek Tomasek after a visit to Prague cathedral.

Increased assets

PARIS—Net assets of French open-end investment funds increased by 34.7 per cent at the end of last year to FFr 36.9bn (\$1.58bn) from FFr 27.4bn at end-1977. AP-DJ

Election nears in Italy

By Rupert Cornwell in Rome

SIG GIULIO ANDREOTTI, the Italian Prime Minister-designate is today due to finalise his proposals for a new government. However, the main argument among politicians here is over the exact date of a general election — now almost a certainty.

As the 43-day-old government crisis reaches a head, terrorism has again erupted in the north. A woman was killed on Tuesday night when unknown assailants exploded a firebomb in the local Press Association offices in Bologna.

A Fiat executive, meanwhile, has been shot in the legs in Turin in an attack claimed later by the Red Brigades terrorists. The condition of the victim, Sig. Giuliano Farina (49) was later said not to be serious.

The general assumption here is that Sig Andreotti will form a minority administration embracing his own Christian Democratic Party, the Republicans and perhaps the Social Democrats. This would then have the job of administering elections in May.

Remaining hopes that the dissolution of Parliament could be averted were virtually extinguished yesterday when the Socialist Party (PSI) newspaper Avanti published an editorial apparently dismissing the idea of the PSI throwing Sig. Andreotti a lifeline by abstaining from voting against his administration.

Considerable uncertainty remains, however, about the date of the election. The Communists are understood to be pressing for it to be held as early as possible, and the Christian Democrats are inclined towards the first part of May.

The Socialists and Social Democrats, however, are keen to draw maximum advantage from the European elections, at which they are expected to do very well. They still hope both elections can be held on the same day — June 10.

Suarez faces dilemma in post-election strategy

Spain receives price inflation jolt

BY ROBERT GRAHAM IN MADRID

THE SPANISH Government's confidence in its ability to reduce the level of inflation this year has received a jolt. The January consumer price index shows a 1.4 per cent increase.

This confirms an upward trend, evident since October, after apparently successful efforts by the authorities in the summer months to control prices.

The combined average for December and January, on an annual basis, would give Spain a projected rise of 17 per cent for 1979.

This is almost the same as for 1978 and out of line with previous macro-economic projections.

When wage negotiations were initiated between unions and employers last November, the Government said it hoped to reduce inflation to between 10 and 12 per cent for 1979. Even this would be well above the European average.

The opposition yesterday claimed the Government had deliberately delayed the announcement of the January consumer price increases, fearing their negative impact on the General Elections. Just before the March 1 elections, officials were hinting at a January increase of 0.9 per cent.

The substantially higher real figure underlines the dilemma facing Sr. Adolfo Suarez, the Prime Minister, as he begins to map a post-election economic strategy.

Officials say it is almost certain that the new Cabinet will, when formed, embark on a more expansionary economic policy to help push Spain out of its recession. But this will be difficult to manage if inflation continues to run at its present high level.

The business community has reacted favourably to the performance of Sr. Suarez's Union de Centro Democratico (UCD) which will permit the party to govern alone for the next four years.

Senior bankers and businessmen feel a new sense of optimism, reflected in the sharp increase in share prices on the Stock Exchange over the past 10 days.

This optimism derives from the removal of political uncertainties which have surrounded Sr. Suarez and his Government since before the first democratic elections of June, 1977.

The business community backed the UCD on March 1. Sr. Suarez is reportedly anxious to capitalise on this new mood of business confidence.

Inflation, however, poses a serious challenge. Economists believe the Government has been holding back price increases on a range of important items, especially in the energy sector, and these cannot be kept at present levels with the new squeeze on oil supplies and prices.

They further underline that the relative strength of the peseta against the dollar last year enabled Spain to pay stable prices for raw materials. This, they say, is unlikely to last through 1979.

The effect of the present round of wage negotiations is far from clear, but is expected to be marginally more inflationary than the Government projections before the elections.

Wages are being kept within the 14 per cent increase norm, but employers have done this with dextrous juggling; so that the real increase is higher. Other agreements, affecting some 5 per cent of the work force, have ranged between 14 and 16 per cent.

Gundelach attacks cost of CAP

BY JOHN HUNT IN STRASBOURG

THE HEAVY cost of the Common Agricultural Policy and the accumulation of huge European farm surpluses were strongly condemned yesterday by Mr. Finn Olav Gundelach, the EEC Commissioner for Agriculture.

In a forthright speech to the European Parliament in Strasbourg, he underlined the blunt criticisms of the CAP which were made by Mr. James Callaghan, the Prime Minister, at the European summit in Paris on Monday.

"We cannot go on producing vast quantities of agricultural produce for which there is no market," Mr. Gundelach declared. "The taxpayer will not continue to accept such a policy."

He emphasised that the Commission was determined to stand by its proposal that there should be no overall increase in common farm prices for the 1979 farm year, which starts next month. According to the Commissioner, European farmers had enjoyed a steady rise in real incomes over recent years.

The best way forward, he suggested, was to give financial assistance to farmers in the poorer regions in order to close the gap between them and the large number of wealthy farmers who at present were the main beneficiaries of the CAP.

Mr. Gundelach opposed a report from the Parliament's agricultural committee which called for a 3 per cent increase in farm prices in the coming year. The report opposed the suggested price freeze and wanted an increase in prices in the veal, beef and oilseed sectors to encourage production. The committee's report approved the controversial co-responsibility levy on dairy produce which has met widespread opposition from Britain's dairy farmers. It also demanded a tax on the production of margarine, so that it would better compete with butter.

The vote on the report takes place today. In a sometimes heated debate, the report predictably received the support of the French Gaullists and German Christian Democrats, but came in for criticism from British Conservative and Labour MPs.

Giving the "dreary catalogue" of the cost of farm support, Mr. Gundelach told Parliament: "These problems are due to the stagnation of consumption and rapidly growing production. They are putting unbearable strains on the Community budget."

With the gap between consumption and production continuing to widen, something had to be done to restore the credibility of the CAP.

Mr. James Scott-Hopkins, Conservative MP for Derby West, speaking on behalf of the Conservative group and of the European Parliament's budget committee, said it would be idotic to have an overall price increase at a time when there were large surpluses. He also accused the Council of Ministers of ignoring the views of the Parliament.

Tests go ahead at W. German N-waste site

By Jonathan Carr in Bonn

DESPITE protests by demonstrators, first test drillings began yesterday at Gorleben, Lower Saxony, the proposed site for installations which it is hoped will solve West Germany's nuclear waste disposal problems.

There were no serious clashes between police and anti-nuclear energy protesters but environmentalists claimed that the authorities were going with work on the site before arguments against the project had been sufficeintly considered.

However, this claim was rejected, both by the Federal Government in Bonn and the state government in Hanover. Hearings of supporters and critics are to be held towards the end of this month.

The Gorleben site is eventually scheduled to provide facilities for storage of nuclear waste in salt deposits and for the reprocesing of spent nuclear fuel. The project will involve an investment of more than DM 101bn (£2.65bn).

FINLAND'S GENERAL ELECTION

Conservative gains likely

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT, RECENTLY IN HELSINKI

THE Conservative National Coalition Party is poised for a leap forward in Finland's general election on March 18 and 19. That would complicate the post-election negotiations over the formation of a new government and might even have foreign political consequences. Soviet newspapers have already been carping at the possibility of the Conservatives' return to government.

They have not been in office for 12 years. During this period Finland has been ruled by Left-centre coalitions interspersed with minority cabinets. But they are now on the point of making sufficient electoral gains to move past the Communists and Centre Party into second place behind the Social Democrats.

This would reinforce the Conservatives' claim to be in government, strengthen the "bourgeois" parties' majority over the two Left-wing parties and at the least put pressure on the Social Democrats to cede some of the key cabinet posts they now possess.

Finnish political allegiances are stable and no landslide is in prospect. But, if recent opinion polls are accurate, the Conservatives could increase their representation in the 200-member Parliament from 35 to as many 45. Most of their gains are likely to come from the small splinter groups to the Right and from the Liberals.

The predictions are that the three other big parties will maintain their positions or lose only one or two seats. In the last Parliament the Social Democrats, headed by Mr. Kalevi Sorsa, the Prime Minister, had 54 seats, the Centre party 41 and the People's Democratic League, which is predominantly Communist, held 40.

Mr. Sorsa has led a coalition of these parties reinforced by the Liberals. The Communists are split and have been represented in the cabinet by their majority faction under Mr. Aarne Saarinen, the chairman. The Stalinist minority, which strictly toes the Moscow line, has remained in Opposition.

Campaigning has been remarkably tame, the more so in view of Finland's severe economic problems. The most evident difficulty is unemployment close to 8 per cent of the work force, representing 200,000 jobless. The ruling coalition, despite its Left-wing majority and the inclusion of the Communists, has pursued an orthodox deflationary economic policy, concentrating on bringing foreign payments into balance.

In this it has succeeded. The balance of payments moved into a small surplus last year after showing an alarming deficit equal to 8 per cent of Gross National Product in 1975. The rate of inflation was more than halved last year. Exports, aided by a devaluation at the beginning of 1978, picked up and GNP grew again by more than 2 per cent.

Prime Minister Kalevi Sorsa

PARTY STRENGTHS IN PARLIAMENT

Social Democrats	54
Centre Party	41
People's Democratic League	40
Conservatives	35
Swedish People's Party	10
Liberals	8
Christian League	8
Constitutional Party	2
Rural Party	2

But these results have a negative side. Real disposable incomes dropped 6 per cent alone in 1978. The improvement in the external position was due in large part to the slump in imports and despite a series of "stimulation packages," unemployment has proved to be intransigent.

In this context the advance of the Conservatives would represent a very mild protest from the voters and it is too much to speak of a swing to the Right in Finnish politics. The election is likely rather to reflect a consolidation towards the centre in line with the more pragmatic attitudes that the Social Democrats and even the Communists have already been displaying and the more liberal approach adopted by the Conservatives under Mr. Harri Holkeri, their present chairman.

One of the more interesting events of the campaign has been the publication of an article by Mr. Arvo Aalto, the general secretary of the Communist party, which, stealing a phrase from the Italian political scene, outlined a Finnish version of a possible "historic compromise" between the Left and "progressive bourgeois."

Mr. Aalto committed several solecisms against orthodox Communist ideology. The "face" of the Socialist society would deviate significantly from the accepted models and it would be necessary to preserve the central institutions and freedoms of Finalnd's existing political system, Mr. Aalto wrote.

While this movement towards middle-of-the-road politics can promote a kind of consensus on how to tackle Finland's economic problems, it also creates a political congestion which promises some very tough in-fighting over the formation of the next government.

A major advance in conservative Parliamentary strength would need to be reflected in some way in the next government and Mr. Holkeri has underscored that in his book this means Conservative party ministers in the cabinet. But the Soviet press has already deprecated such a move to the Right in Finnish politics. Finland's special post-war relationship with the Soviet Union means that all leading Finnish politicians have at least to consider views expressed in Moscow.

The Social Democrats and Communists currently exclude participation in a cabinet with Conservative party members, although Mr. Saarinen, the Communist leader, has floated the idea that "progressive bourgeois" representatives might be included in the government.

Although it would almost certainly command a parliamentary majority, a non-Socialist coalition of the Conservatives and centre party with the Liberals and Swedish People's Party is scarcely feasible for reasons of foreign policy. A more likely alternative would be a minority non-Socialist cabinet excluding the Conservatives but counting on their support in Parliament.

But a minority government is scarcely the best solution when the long-term future of the Finnish economy is at stake. President Urho Kekkonen, who has controlled Finnish foreign policy for 23 years and at 79 still remains the pivot of Finnish politics, has consistently advocated broad coalition governments.

Mr. Sorsa, the Social Democrat chairman, has suggested that the best solution would be a continuation of the present coalition; augmented by the inclusion of the Swedish People's Party.

However, the principal effect of a conservative victory could be to strengthen the bargaining position of the Centre Party, headed by Mr. Johannes Virolainen. He is likely to argue that an increased bourgeois majority in Parliaments calls for a non-Socialist Prime Minister or at least for the transfer of the Finance Ministry from the Social Democrats to the Centre party.

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U.S. atom plant closures raise oil requirements

BY DAVID BUCHAN IN WASHINGTON

/E EAST COAST nuclear nts, totalling 4,200 MW of :trical capacity, are to shut /n today on the orders of Nuclear Regulatory Com- sion (NRC) because their ·ty systems may not operate perly during an earthquake.

·[r. Joseph Hendrie, the irman of the NRC, the U.S. lear safety inspectors, mated that it would take extra 200,000 barrels of oil lay (b/d) to replace the tricity provided by the plants in Pennsylvania, ginia, New York State and ne.

t a time when the U.S. is ady short by 500,000 b/d iuse of the paucity of ex- :s from Iran, the NRC move brought protests from Mr. ies Schlesinger's Energy artment.

he availability of oil from Pacific Coast of the U.S. ere there is a surplus of skan oil) to eastern mar- ., was dealt a blow on sday when Sohio announced because of regulatory and ronmental problems it was ndoning its $1bn plan for alifornia to Texas pipeline.

The NRC, which says it will be months before the five power plants resume operation, said its order did not mean the commission considered the plants unsafe, but that it was not sure of their safety. There had been an error in a computer formula used to design the plants seven years ago.

The design error was discovered last December by engineers at the Beaver Valley plant in Pennsylvania. Senator Gary Hart told Mr. Hendrie at a Congressional hearing on Tuesday that it was highly disturbing that the fault had been discovered accidentally by the industry itself, and not by the NRC.

This week's closure is the largest since 1975 when some 20 U.S. nuclear plants were closed for inspection of another possible safety problem.

Mr. Schlesinger, the Energy Secretary, has urged that the U.S., in the wake of the cutback in Iranian oil, should accelerate the building of nuclear power plants. At present, nuclear power generates about 12 per cent of U.S. electricity.

Earthquake safety fears

BY DAVID FISHLOCK, SCIENCE EDITOR

[FIVE U.S. reactors shut n on the instructions of U.S. ear safety officials are iected of having safety ems which are under- gned and might break down ibjected to the stress of an hquake.

one, however, is in a region ially associated with earth- :es.

ie Nuclear Regulatory Com- ion said yesterday that it ·ved it would take "weeks ionths to design and instal :orcements to bring these tors up to current national dards of earthquake resis- e."

ie fault is not specific to one gn of reactor, but arises, the Safety Agency, through error it found in the com- r codes used by Stone and ster, a leading U.S. firm of itect-engineers. This company worked on all five reactors.

It came to light as a result of studies by Ducane Power and Light, the utility operating Bever Valley (920 MW), one of the reactors ordered to be shut down.

These showed that pipework associated with the emergency core cooling system—the safety system which prevents the fuel from overheating if the reactor's coolant supply should fail—could be over-stressed in an earthquake.

The Beaver Valley reactor is about to be refuelled, an operation which normally takes from one to two months, and the necessary modifications may be made during this period of shutdown.

Another reactor, Surrey 1, is already shut down for replacement of its steam generators.

NEW PRESIDENT FACES INDUSTRIAL UNREST

Gen. Figueiredo takes over in Brazil

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

GENERAL Joao Baptista Figueiredo (right), a 62-year-old cavalry officer, takes over here today as the President of Brazil from Gen. Ernesto Geisel, amid signs of widespread industrial unrest which underline the multiple problems he will be facing during his six-year term.

Some 160,000 workers in the industrial capital of Sao Paulo are reported to have stopped work in support of a demand for a 77.1 per cent wage increase and no victimisation of shop stewards.

Union spokesmen claimed that 35,000 workers were out at the Volkswagen plant, 17,000 at Mercedes Benz and 9,000 at Ford. Among others hit are Rolls-Royce, Phillips, Alcan, Chrysler and numerous Brazilian-owned plants.

Police on Tuesday used tear gas against pickets. Strikes of bus drivers and teachers in and around Rio de Janeiro were declared illegal on Tuesday but have not ended.

The unrest comes at a time when inflation is inching up past the 40 per cent annual rate and there is some impatience that progress towards full democracy promised by both the incoming and outgoing generals should be speeded up. The Brazilian armed forces took power in a coup d'état in 1954 and have ruled since.

Gen. Figueiredo, who made his mark in military intelligence, was selected personally by Gen. Geisel to be his successor. Gen. Geisel's choice was then given formal approval by the electoral college.

Gen. Alfredo Stroessner of Paraguay and Gen. David Padilla of Bolivia will be the only two heads of State to attend today's brief ceremony. The U.S. is represented by Mrs. Joan Mondale, wife of Vice-President Mondale, and Britain by Mr. Ted Rowlands, Minister of State, Foreign and Commonwealth Office.

Ten thousand troops and police are on duty here and 3,000 schoolchildren have been brought in from all around the country.

After his installation, Gen. Figueiredo will instal his Cabinet which includes Professor Antonio Delfim Neto in the Agriculture portfolio, Sr. Mario Henrique Simonsen in Planning and Sr. Karlos Rischbieter in Finance.

Sr. Simonsen this week predicted that the Government would be unpopular this year because of the slow progress in the fight against inflation, but added that its popularity would recover in 1980.

Talking to Lord Carrington, Conservative leader in the UK House of Lords, who is in Brazil on a Latin American tour, Senator Jose Sarney, the leader of Arena, the Government party, predicted that Brazil would return to full democracy within two years.

Gen. Figueiredo is expected shortly to announce a relaxation of the system of two artificial political parties decreed by the military shortly after their coup d'etat.

While Arena, the party bound to support the military, may continue much as before, the opposition MDB or Brazilian Democratic Movement, may split into two or three parties each of which would reflect different degrees of radicalism.

Gen. Figueiredo, who is not seen as a man of great intellectual powers, has indicated he will rule with the close collaboration of Gen. Golbery do Couto e Silva who has been the *eminence grise* of a succession of military presidents.

An officer on the retired list, he was for a time employed by Dow Chemical, and has been associated with Brazil's slow move away from extreme authoritarianism.

Taiwan Bills endorsed by Congress

By Our Washington Correspondent

BOTH HOUSES of Congress have overwhelmingly endorsed President Jimmy Carter's plan to maintain unofficial relations with Taiwan, without adding words to the legislation that the Carter Administration had feared might endanger its new diplomatic ties with Peking.

To appease conservatives who felt that Taiwan had been sold short by the Carter Administration, the Bills passed by the Senate and the House of Representatives broadly state that the use of force against Taiwan would be a threat to the peace and stability of the Western Pacific area and of grave concern to the U.S.

President Cartre, who must now sign the legislation, had specifically warned that any attempt by Congress to resurrect a defence treaty relationship by Taiwan would jeopardise normalisation with Peking.

Attempts to do this were defeated in Congress, partly because Mr. Carter had made it clear that the U.S., even after the expiry of its defence pact with Taiwan next January, would continue to sell defensive weapons to the Taiwanese.

Kahn attacks businessmen over price rises

BY JOHN WYLES IN NEW YORK

MR. ALFRED KAHN, President Carter's chief inflation fighter, has launched a bilstering attack on business for failing to comply satisfactorily with the price curb guidelines.

Mr. Kahn's attack came in a speech which marks an important change of emphasis in his public campaign for pay and price restraint.

Mr. Kahn, chairman of the Council on Wage and Price Stability, argued for the first time in Chicago that recent large increases in corporate profits allied to the present unacceptable rate of price increases was jeopardising the anti-inflation policy's prospects of success.

This is likely to cause some resentment in the business community which is extremely sensitive to populist attacks on corporate profits.

Businessmen have argued that profitability has been inadequate in recent years, and that last year's estimated 17 per cent rise in corporate earnings should be welcomed.

Not, it seems, by Mr. Kahn, who chose to employ one of his favourite hyperboles to characterise recent reports of record corporate profits as "almost as much of a catastrophe as the January producer price index."

The 1.3 per cent rise in that index underscored, Mr. Kahn went on, "a strong belief that the business community hasn't been doing its share in the anti-inflation fight."

Before the publication of the index, Mr. Kahn and his colleagues were claiming widespread support and compliance for the guidelines requiring individual companies to limit their cumulative price increases this year to half a per cent below their average annual rate of increase during 1976-77.

The decision to go on to the attack is obviously prompted by sensitive pay talks going on in the transport and rubber industries and the public hostility of organised labour,

"How long will labour be willing to demonstrate restraint while prices are rising at a rate several points higher than the one at which we are asking labour to settle, and while every indication is that profit reports are going to be extremely high in the months ahead?" Mr. Kahn asked the Chicago businessmen.

Petro-Canada to seek oil from Venezuela

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN national oil company, Petro-Canada, has been told to negotiate directly for Venezuelan oil, following refusal by Imperial Oil to by-pass its U.S. parent company, Exxon, says Mr. Alastair Gillespie, the Enargy Minister.

He said that a meeting this week with Mr. Jack Armstrong, president of Imperial, to discuss the supply of crude to Eastern Canadian refiners was "very disappointing."

Last month, Mr. Gillespie angrily told Imperial to by-pass its parent company when he discovered that Exxon was reducing Canadian supplies of Venezuelan oil because of shortfalls in Iranian crude for other customers.

"Mr. Armstrong reported that the chairman of Exxon International in New York was unwilling to allow Imperial to comply with the Canadian Government's request to buy crude oil directly from . . . the national oil company of Venezuela," Mr. Gillespie said.

"In anticipation of this type of response from Exxon, Petro-Canada, our national oil company, has already had discussions with its Venezuelan counterpart."

The Minister has told Petro-Canada to negotiate the purchase of 100,000 barrels of oil a day, the same amount as Imperial was to supply to Canada from Venezuela through its purchases arranged by Exxon.

"Petro-Canada is also negotiating with Mexico for another 100,000 barrels of crude oil," the Minister said.

Imperial Oil in Toronto has declined to comment on the controversy.

Fourteen warheads for Soviet missile

THE SOVIET Union has carried out a test showing that its biggest nuclear missile, the SS-18, can be adapted to take 14 separate warheads instead of the present 10, according to U.S. intelligence.

The test was carried out at the end of December, but the results have only just become public. They will undoubtedly provide ammunition for congressional opponents of the *proposed SALT-II treaty*.

A key feature of the draft treaty puts a limit of 10 on the number of warheads on any one nuclear missile.

U.S. SALT negotiators, who are hoping to complete the protracted negotiations by early April, said yesterday that the Russian test was not helpful.

But they saw no reason why it should unravel that part of the SALT agreement. There would be no harm, they said, if the extra four "warheads" on the SS-18 were dummies designed to baffle missile defences. The U.S. has itself done this sometimes.

Earthquake hits Mexico City

MEXICO CITY — A severe earthquake damaged buildings and sprayed broken glass over the streets in the centre of Mexico City before dawn yesterday. The Red Cross said there were a number of injuries, but no immediate reports of deaths.

The Seismological Institute in Mexico City reported the quake measured 7 on the Richter Scale and that the epicenter was about 198 miles southwest of the city.

The U.S. Geological Survey in Golden, Colorado, called it a major quake with a Richter reading of 7.9 and the epicenter 100 100 miles northwest of the resort city of Acapulco, on the Pacific Coast or a short distance at sea. Scientists there said that reading would make it the strongest quake in the world this year.

No damage was reported in Acapulco, but the highway to it from Mexico City was blocked by landslides.

Lights were out in several sections of the capital of 13m people when a strong aftershock hit an hour after the main shock

OVERSEAS NEWS

ENEMIES ON THE BRINK OF PEACE

Israelis receive the news cautiously

By David Lennon in Tel Aviv

THERE WAS no public Israeli reaction to the news of the pending peace treaty with Egypt. Asked their opinion most people said cautiously. "Let's wait and see." Most were in favour of the treaty.

Many explained that they could not get excited after the ups and downs of the past 15 months. The feeling of anti-climax was matched by doubts that the treaty would bring genuine peace.

The psychological barriers of mistrust which President Anwar Sadat had hoped to break down by his dramatic visit to Jerusalem are clearly very much intact.

The squabbling, walk-outs, and harsh accusations hurled by both sides during the negotiations have robbed the occasion of the joy which a peace treaty with the country's strongest neighbour should warrant.

The reaction of the rest of the Arab world has also increased the suspicion of the average Israeli that the peace treaty is being made with just one Arab, President Sadat. They fear that when he ceases to rule Egypt, Cairo's new leaders might reject the peace agreement.

Israel's leaders have also contributed to the soured atmosphere by making every concession a point of principle vitally affecting the security of the nation and the value of the treaty. Now that the concessions have been made, the population is left to wonder whether they were too great.

Adding to public anxiety is the knowledge that talks must now start on the future status of the occupied West Bank and Gaza Strip. Israelis are well aware that there is a total contradiction between their aspirations for these areas and the aspirations of the Arabs who want to see a Palestinian state created there.

Nevertheless, the Israelis are adaptable. They have learnt to live with wars which would have sapped the resolution of many others. Now they will slowly have to learn to live in peace with at least one neighbour.

Prisoner exchange

GENEVA—An Israeli soldier was exchanged for 76 Palestinians yesterday in the first exchange of war prisoners between the two sides.

The operation, conducted by the International Red Cross, took place at Geneva Airport where 66 of the Palestinians, including six women, were handed over for Abraham Amran, a 33-year-old Israeli reservist. He had been held for almost a year by the Popular Front for the Liberation of Palestine.

Ten other Palestinians were released by the Israeli authorities in the occupied territories. AP

Carter arrives home to a hero's welcome

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

TRAVELLING WITH the U.S. President, much like working the campaign trail, is akin to living in a moving cocoon. From the steel tube of the Pres aircraft to the metallic downstairs bar of any international class hotel, the eyes always are blinkered: they see the narrow details of issues, not the broad sweep of emotion: they focus on the short-term impact of policy positions, not the lengthier implications for peoples: they dwell on the achievable, rarely on the desirable.

From the confines of the sterile environment in which, as Head of State, perforce he moves, Jimmy Carter has just brought off a formidable triumph. By dint of unstinting effort, endless patience and inventiveness, he has nailed Israel down to an accommodation with its most powerful Arab neighbour and carried President Sadat along with him.

It would be uncharitable in the extreme not to acknowledge the extent and effectiveness of the use of the President's prestige and intellectual and practical powers of persuasion.

Anyone who can seduce, induce or browbeat Mr. Menahem Begin, the Israeli Prime Minister, into acceptance, at the same time reassuring the Israeli people of the permanence of U.S. support for Israel, is no innocent in the use of argument.

But when, occasionally, a journalist, especially one, rather like Mr. Carter, unfamiliar with the touchstone realities of the Middle East, escapes from the cocoon, the eyes widen. Sometimes erroneously and definitely hesitatingly, impressions are gleaned of the semi-permanence of Arab-Israeli differences, of imbued mistrust and hatred.

They tend to reinforce all the perceived realpolitik evidence of deep divisions inside Israel and of broad schisms in the Arab world, the latter made all the more disturbing in the wake of the religious revolution in Iran.

Thus it has to be pointed out what has not been achieved in the past exhaustive week of negotiation. The status of Jerusalem, for example, has not even been addressed: indeed what can only be described as the Israelification of the Holy City has and is proceeding so fast that a solution which would restore Arab rights to the Muslim shrines may be beyond the wit of man.

Moreover, the Arab commitment to accommodation with Israel remains that of one man, President Sadat, who is increasingly isolated in the Arab world and who conceivably could face resistance at home.

Ashley Ashwood

There is simply no assurance that Mr. Carter can give to allay all the well founded fears of Israelis for their own security should the Egyptian President depart from the scene.

Nor do this week's achievement offer any cast-iron guarantee that Israelis and Palestinians can learn to live cheek-by-jowl with each other with a measure of Palestinian autonomy. This is much more true on the West Bank, so close to the heart of Israel, than in Gaza: this week demonstrations against the proposed settlement broke out and were severely suppressed by the Israeli army. It is clear that President Sadat does not command the allegiance of Palestinians willing to march to a different, more aggressive drummer.

To his credit, Mr. Carter has never promised that he could resolve all the fundamental differences with a wave of his presidential wand. Nor has he claimed that he could allay the profound opposition in the rest of the Arab world to an Israeli-Egyptian rapprochement. The Administration is braced for the economic impact of Saudi Arabia's disapproval being registered through the oil price or production mechanism. What Mr. Carter was intent on doing, regardless of the consequences, was to ensure that the negotiating process set in train over the past two years did not break down irrevocably. And this he brilliantly succeeded in accomplising.

Yet, even dealing with the less far-reaching practical matters at issue, he came within a hair's breadth of failure. On Monday night in Jerusalem, after Secretary of State Vance's last session with the Defence Committee of the Israeli Cabinet, the U.S. delegation thought the game was all over.

It was decided it would be too discourteous to Mr. Begin and Israel to leave that night, but all that appeared to remain was to work out something that put the best face on failure even when Mr. Dayan, the Israeli Foreign Minister, put in what turned out to be his critical telephone call to Mr. Vance at 7 o'clock that evening, asking for another meeting, there was little hope that anything could be salvaged.

The Vance-Dayan session did not in itself produce Israeli concessions, but it offered just enough for the Secretary of State and three aides to spend most of the night back at the drawing board devising for the umpteenth time variations on sticky themes for Mr. Carter to put to Mr. Begin over breakfast on Tuesday. It worked.

In their climactic last 90 minute meeting and in the limousine carrying Mr. Carter to Tel Aviv Airport, the Prime Minister accepted the U.S. proposals on the last three issues—Egyptian presence in the run-up to elections in Gaza, a timing of exchange of ambassadors and the sale of oil to Israel by Egypt from the Sinai fields after Isarel had withdrawn.

Mr. Carter flew to Cairo, briefed President Sadat, and, at Cairo Airport, won the Egyptian President's approval. The rest is now history.

Flying back to Washington overnight. Administration officials emphasised that so consuming were the trilateral negotiations on details that broader security arrangements for the Middle East were pushed into the background. The U.S. clearly has made specific commitments to both Israel and Egypt on military and financial assistance but these should be seen in the context of the matter at hand rather than in the overall strategic sense.

Mr. Carter has returned home to the hero's welcome he has merited. Some of his aides were euphorically saying that what he had accomplished would turn out to be more significant even than a Strategic Arms Limitation agreement with the Russians, whose chances in the Senate may have risen because of the bold Middle East foray.

But the dog-tired President, for all his elation, yet again reminded his audience at Andrew Air Force Base, that he had only helped facilitate a beginning to the search for a wider Middle East settlement, or, as he put it, "a cornerstone."

This assessment demonstrates Mr. Carter's own ability to see beyond the moving cocoon he operates in. If what he has just negotiated in time falls apart, as it may, then it is a fair bet that the President will tackle the problem again, looking for every angle, gnawing away at the bone, with the same relentless determination shown over the past week.

West Bank Arabs intensify protests

By Our Tel Aviv Correspondent

PALESTINIANS living on the occupied West Bank intensified their protest against the Egypt-Israel peace treaty yesterday with riots, business strikes and school closures. Dozens of arrests were made by Israeli security forces.

The mayors of the West Bank towns who condemned President Jimmy Carter's mission because it ignored Palestinian rights warned yesterday that the bilateral pact with Egypt would consolidate Israel's occupation of the West Bank and Gaza Strip.

Since the beginning of the week children have been blocking roads on the West Bank and stoning Israeli vehicles. The security forces have been accused by the Palestinians of using excessive force to break up the demonstrations and all the teachers in the town of Ramallah resigned in protest.

The disturbances spread to East Jerusalem yesterday where large forces of police and soldiers broke up student demonstrations and attempted to prevent Arab shopkeepers from closing down. A bomb exploded in a Jerusalem bus; no casualties were reported, but groups of Jews attacked passing Arabs.

There was a total business and schools strike in the towns of Ramallah and El B'reh, north of Jerusalem, for the second consecutive day.

A group of Israeli settlers raided Ramallah on Tuesday, shooting in the air, chasing residents, breaking into homes and beating up local Arabs. They said this action was in reprisal for the stoning by Palestinian schoolchildren of buses serving Ofra, a new Jewish settlement nearby.

Bir Zeit College, a centre of Palestinian nationalism, was closed by the military Government, as were many schools in the region.

Various levels of disturbances were reported throughout the West Bank, with school strikes, demonstrations and road blocks in Jericho, Hebron and many other towns.

Yemen aid attacked

MOSCOW—The Soviet press yesterday described as an invention U.S. estimates that there are 800 Soviet advisers in South Yemen and that about 300 to 500 Cuban advisers are helping the Aden regime in its conflict with North Yemen.

The newspaper Sovietskay Rossiya, a publication of the Communist Party Central Committee, said that every time the U.S. wished in interfere in the internal affairs of another country it manufactured a Soviet or a Cuban threat.

The paper was commenting on U.S. plans to send 300 military advisers and arms to North Yemen.

PLO plans moves against Sadat and U.S. interests in the region

BY IHSAN HIJAZI IN BEIRUT

IN RETALIATION for the prospective Egyptian-Israeli peace treaty the Palestinian Liberation Organisation (PLO) plans to intensify its efforts to undermine President Anwar Sadat's regime.

Speaking to a meeting of the secretariat of the Arab People's Congress, Mr. Yassir Arafat, the PLO chairman, said that the movement was studying ways of escalating popular resistance against Mr. Sadat.

The Congress was launched early last year after Mr. Sadat's original peace mission to Jerusalem. Three months ago it set up a "People's Court" in Baghdad, which condemned Mr. Sadat as a traitor.

Mr. Arafat also called for an oil embargo by Arab producers against Egypt, suggesting that Mr. Sadat would "receive the oil with one hand and turn it over to Israel with the other." In practice, this threat may not amount to much as Egypt produces far more oil than it consumes although it imports certain refined products.

Egyptian oil exports in 1978 were worth E£347m ($501.8m) compared with imports of E£66m. Refined output of 11.4m tons exceeded consumption of products estimated at 9.4m tons.

Mr. Arafat, underlying the guerrilla movement's determination to maintain the struggle, disclosed that he snubbed a warning from Israel delivered to him recently by an unnamed European country.

Palestinian strategists are calculating on confronting not only Israel but the U.S. as well. In any such campaign they may receive at least moral support from Damascus.

The Syrian semi-official newspaper Al Thawra yesterday directed its editorial guns against Washington and accused it of using Mr. Sadat as a means of obliterating the rights of the Palestinian and Arab people.

Palestinian strategists may lay down operational plans to try to carry out an earlier threat by Mr. Arafat to strike at American interests.

Hardline Left-wingers have already taken a first step by sending some men to Aden to fight on the side of the Marxist régime in South Yemen against U.S.-backed North Yemen.

"If Fatah, with its big strength and resources, should choose to undertake foreign operations, the damage to Western interests could be tremendous," one informed observer commented.

However, striking at U.S. interests would mean hitting the interests of the oil-rich Arab States, the PLO's main financiers. For Mr. Arafat, in particular, the relationship with Saudi Arabia is essential.

Saudi Arabia's relationship with Washington served a purpose in the past when Riyadh acted as go-between in contacts between Washington and the PLO.

The guerrillas have the necessary physical strength for a wider campaign. There are at least 10,000 heavily armed guerrillas in Lebanon, a force which could be doubled. Their morale has been boosted by the support they have received from the new regime in Iran, and they could be used to help bring about radical changes in the rest of the Middle East.

South Lebanon, where the guerrillas are concentrated, may become an arena of concentrated struggle with Israel, but the PLO's current plans are to escalate resistance in the West Bank and Gaza as well as among the 400,000 Arabs living in Israel proper.

At the same time their concentration in the south of Lebanon makes them a relatively easy target for the Israelis. They may, therefore, be reluctant to push matters too far before Iraq and Syria have completed preparations for military co-ordination.

Reuter adds from the United Nations: Mr. Abdalla Bishara, ambassador of Kuwait, the only Arab member of the Security Council, and Mr. Zehdi Terzie, a PLO representative, yesterday predicted that Egypt would be ejected from the Arab League if Cairo made a separate peace with Israel.

Now Egypt awaits Arab storm

BY ROGER MATTHEWS IN CAIRO

THE EGYPTIAN Government is bracing itself for the storm of Arab criticism, linked to political and economic sanctions, that it expects in the coming weeks. When the Cabinet meets today to hear the precise terms of the treaty with Israel, it will also learn of the diplomatic offensive launched in an effort to swing moderate opinion.

Vice-President Hosny Mubarak left Cairo yesterday for Sudan and will later travel to several European capitals. Meanwhile, President Sadat is sending personal messages to all but the "rejectionist" Arab States.

An Arab summit meeting decided last November on a series of measures to be taken against Egypt if it signed a separate deal with Israel. Some of these expected to be put into operation soon include the removal of the Arab League headquarters from Cairo. But a foreign ministers' meeting is also likely to be summoned to consider further action.

Dr. Boutros Ghali, Egypt's Deputy Foreign Minister, said yesterday that his Government was at the start of a long campaign to win Arab support and could now stress the positive achievements of the past 16 months negotiations.

But he warned that the signing of the peace treaty was only the first step towards a comprehensive Middle East settlement and the next stage—the negotiations of the setting up of a Palestinian authority on the West Bank and Gaza—would present difficulties greater than those already overcome.

During President Carter's six-day visit to the Middle East it was agreed by both Egypt and Israel to postpone some of the critical West Bank and Gaza issues until the autonomy negotiations that will start a month after the signing of the peace treaty. The issues include Egypt's demand for a physical presence in the Gaza Strip to oversee the run-up to elections to a Palestinian authority.

Dr. Ghali confirmed that the United States would be participating in the negotiations on Palestinian autonomy and shared Egypt's view that East Jerusalem—annexed by Israel after the 1967 war—had to be considered as part of the West Bank. He hoped those who opposed the Egyptian initiative could eventually be persuaded to participate.

A parallel campaign within Egypt starts on Saturday when President Sadat addresses the parliamentary faction of his majority National Democratic Party. Senior officials claim that 95 per cent of the population will support the peace treaty and the remaining 5 per cent—comprised of Nasserites, left-wingers and intellectuals—pose no threat to the regime.

The Government's line is that it gave nothing away on points of principle and, instead, the Arab world should concentrate on making the best possible use of the Egyptian achievements.

Ministers and the media can also be expected to warn the public against becoming too optimistic about any immediate economic gain flowing from the peace treaty. There is barely disguised anxiety that Arab financial assistance will at best be seriously curtailed but very optimistic comments about how the U.S. will now step into the breach.

OTHER OVERSEAS NEWS

Ex-BOSS man's passport seized

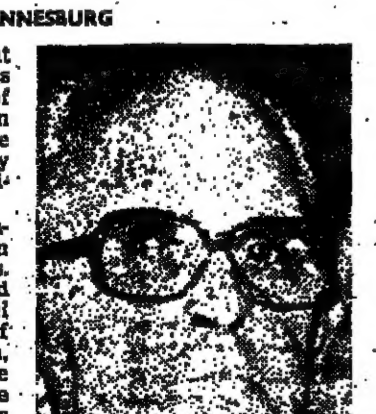
BY QUENTIN PEEL IN JOHANNESBURG

THE South African Government has refused to give any reasons for impounding the passports of General Hendrik van den Bergh, former head of the Bureau for State Security (BOSS), and a business associate, Mr. Josias van Zyl.

Their passports were confiscated by security police in midnight visits to their homes.

Both men have been involved in contacts with Dr. Eschel Rhoodie, the former head of the Department of Information, who fled the country in the wake of allegations of misuse of millions of Rand in his department. Dr. Rhoodie has accused several members of the present Cabinet of complicity in his department's activities, which included attempts to buy international publications, and allegedly bribe journalists and politicians.

General Van den Bergh and Mr. Van Zyl flew to Paris last week in what they described as a bid to stop the former information chief from releasing evidence about his department's secret propaganda activities. They claimed to have succeeded by persuading Dr. Rhoodie to sign a contract to work for Mr. Van Zyl.



Gen. Van den Bergh: visited at midnight

Mr. Alwyn Schlebusch, the Minister of the Interior, who ordered the confiscation of their passports, refused to comment yesterday. The action was described by one opposition spokesman, Mr. John Malcomess of the New Republic Party, as that of "a chicken running around without a head."

Mr. Van Zyl said earlier this week that he was planning another trip to see Dr. Rhoodie, but it is not clear why the Government should see this as a threat.

But Government sources have said they believe General Van Den Bergh's involvement is not so much out of patriotism, but as an effort to reinstate his own good name after being implicated in the information scandal.

In another development, the international professional golfer, Gary Player, admitted having accepted payment from the Department of Information for inviting a group of American businessmen on a golf tour of South Africa in 1975. He denied a newspaper report that he was paid R30,000 (£17,600). Subsequently the costs of similar tours, in which Mr. Player played against his guests, were paid by Finansbank. Mr. Piet Liebenberg, the chairman of the bank, said the tours were an example of an excellent government initiative which had been taken over by the private sector.

Visas likely for UK, Iran travellers

By Anthony McDermott in Tehran

INTRODUCTION of visas regulating travel between Britain and Iran is the likely outcome of disagreements between the two Governments over alleged mistreatment of Iranian students at Heathrow Airport, London.

Some 1,500 people took part yesterday in a protest demonstration outside the British embassy in Tehran. The demonstrators were prevented from breaking in by the local militia and no damage was caused.

The demonstration followed the delivery of a Note from the Foreign Ministry and the appearance of Mr. John Graham, the British Ambassador, on Iranian television. The note, which was couched in polite terms, drew the British Government's attention to reports of mistreatment and asked for action to be taken.

Mr. Graham, who received a deputation of 12 from among the demonstrators, said on television that only 134 out of an estimated 40,000 Iranian students arriving in Britain had been detained.

There has been a gradual increase in anti-Western feeling over the last few weeks, but, until the Heathrow complaint, the U.S. has been the main target.

With nationalistic feelings running high, resentment has been inflamed by somewhat exaggerated coverage in the Iranian Press of Iranian students' experiences at Heathrow.

Afghan army clashes again with rebels

BY CHRIS SHERWELL IN ISLAMABAD

NEW CLASHES between Afghan army units and rebel Moslem villagers were reported yesterday in Paktia, province in the country's mountainous eastern region.

The reports came separately from two of the extreme Moslem resistance groups which have been fighting for the overthrow of the socialist regime of Mr. Nur Mohammed Taraki since it came to power in a coup.

Independent but as yet unconfirmed reports from across the border also speaks of raids on government posts in the province. The rebels say an army brigade moved into the area between Gardez and Khowst with some 15 aircraft in support.

The clashes are the first for some time to have been reported from Paktia. Most of the fighting in Eastern Afghanistan has been further north in Kunar, where clashes are said to be continuing.

In the Paktia skirmishes the rebels say they are in control of army posts, have Afghan units surrounded and that they have cut roads and telephone lines.

Signs of unity among the rebel groups remain elusive, in spite of proclamations of mutual goodwill last weekend. They say they share the same goals, but they differ on political tactics.

Russia and India sign aid pact

BY K. K. SHARMA IN NEW DELHI

LONG-TERM economic co-operation agreements between India and the Soviet Union, signed yesterday, are thought to be part of the heavy pressure Mr. Alexei Kosygin, Soviet Prime Minister, is exerting on his Indian counterpart, Mr. Morarji Desai, to agree to the Russian assessment of the situation in South-East Asia.

In unscheduled talks lasting more than five hours, the two leaders met without aides and are thought to have spent almost all the time discussing the China-Vietnam conflict.

Apparently, Mr. Kosygin wants Indian support for the Russian approach, in a bid to woo the non-aligned group of countries. How far he has been successful will be known today, when a joint statement on the Soviet Premier's six-day visit is issued.

Mr. Kosygin accused Peking last night of "falsehood" by claiming that it is withdrawing its troops from Vietnam. "In fact, it is consolidating its hold of Vietnamese soil and continues its intervention," he declared.

Earlier, Mr. Kosygin and Mr. Desai signed a number of bilateral agreements, of which the 10-15 years pact on economic and technical co-operation is the most important, since it draws the economies of the two countries closer. The agreement covers a much wider range of industrial, agricultural and trade activity than expected.

Russia is to help India develop its energy resources through exploration and production of coal and oil, apart from expanding the capacity of three refineries to 6m tonnes each.

The Russians will also draw up a plan for exploring and exploiting oil and natural gas reserves from 1981 to 1990.

The capacity of Soviet-aided steel plants at Bhilai and Bokaro is to be raised to 4m and 5.5m tonnes respectively. A new steel plant is to be set up at Vishakapatnam in Andhra State, which, with a new 800,000-tonne alumina plant in the same State, will cater to Russian needs.

Russia will help India develop its vast deposits of nickel, cobalt, copper, tin, titanium, magnesium, silicon diamond, and other non-ferrous metallic resources.

India-Soviet trade between 1981 and 1985 is to double from the existing Rs 10.2bn (about $1.2bn). This will include imports by India of technology-intensive items, to expand the Indian economy.

The trade agreement will provide for continued supply to India up to 1990 of raw materials and manufactured goods, including petroleum products and crude oil, fertilisers, metals, newsprint and sulphur.

Aircrash in Doha kills 45

DOHA—An airline of Royal Jordanian airlines crashed while trying to land here during a sudden storm early yesterday.

Of the 64 people on board, 45 were killed in the crash, according to Qatar officials.

A witness at the airport said the plane was making its third attempt to land "when it appeared to fall while over the runway."

The Boeing 727 burst into flames, but rescue services managed to pull out 19 people. Seventeen of those rescued were Arabs and the other two were British, one of whom, a woman, is in a serious condition.

One official said the pilot had told the control tower that he would fly on to his next stop, Muscat, if he was unable to land on his third attempt. AP

Decline in Rhodesian economy forecast

BY TONY HAWKINS IN SALISBURY

RHODESIA'S REAL gross domestic product is likely to decline again in 1979 for the fifth successive year unless there is early recognition after the one-man, one-vote elections in April, according to the country's largest bank, the Standard.

In its economic bulletin published today the Standard says the economy improved in the second half of the last year and this has been maintained in the first quarter of 1979. It estimates that real GDP fell between 2 per cent and 3 per cent last year after a 7 per cent decline in 1977, but this was less than half the official forecast made in July last year.

In 1979, the bank says, it is just possible that the economy could break even. But the balance of probabilities, it says is for a further fall in real income, albeit only a marginal one.

The Standard Bank says this forecast is based on two "very fragile" assumptions: that there is no further marked deterioration in the security situation after the April elections, and that the rate of white emigration is no higher than in 1978 when there was a net loss of 13,700 whites through migration.

In the mining industry output is expected to rise by as much as 20 per cent due to higher prices and increased volumes of production as increased mineral capacity comes on stream.

The bank estimates that the war is now costing R$1m a day (£720,000) and says that the incoming black majority government will find a very difficult economic and budgetary position when it takes over late next month.

The majority-rule administration will have to rely on a deficit budget and heavy borrowing at home and abroad in 1979-80, it says. At the same time, it will be faced with a "crisis of expectations" with blacks demanding higher wages, more jobs, greater spending on health and education at a time when tax revenues are either stagnant or declining. It sees "severe" pressures on the first black Finance Minister to increase corporate taxes.

In a separate development, a 7 pm-5 am curfew has been imposed on Salisbury's industrial area. The curfew, which comes into effect on Sunday, is designed to avoid further attempts at industrial sabotage by Patriotic Front guerrillas. They successfully attacked the city's major oil storage complex last December and launched an unsuccessful attack on the main power station in January.

هكذا من الأصل

Made in Italy.

In other words, made in Europe.

To build together a common European language. That's what Fiat has been trying to do in its field all these years.

For example, by investing more than 200 billion lire in the research field each year. The Fiat Research Centre, employing 1200 people, is comparable to the largest European and American complexes. The Automobile Group sells 50% of its production abroad. One model, the 127, has been the most sold car in Europe for years.

The Ritmo, introduced in 1978, is the first model of a new generation of Fiat automobiles; it puts together and sums up all the work done in recent years in technology and production plants, techniques, and planning and experimental methods.

The strong points of the Ritmo are: its aerodynamics, the use of interior space, comfort, safety and the high standard of component engineering.

Fiat truck production is spread, through a sophisticated system of productive integration, over a series of plants not only in Italy, but also in France and Germany. Moreover, important European construction firms have contributed to the development of Fiat factories in Italy for diesel engine production.

Fiat also takes part in the important programmes of the European aeronautics industry, along with English, French and German specialists.

At the same time, with other international firms, Fiat Engineering prepares and carries out projects for the necessary infrastructures of developing countries.

Fiat-Allis constitutes one of the world's largest companies producing construction machinery, while Comau automated production systems and machine tools are used by Europe's and the world's main mechanical industries.

These then are the parts of the dialogue Fiat has helped to establish between Italy, Europe and the rest of the world, showing, by its commitment to progress, its own will to carry on.

FIAT

WORLD TRADE NEWS

Japan and Iran negotiate on long-term oil contracts

BY RICHARD C. HANSON IN TOKYO

JAPANESE TRADING companies are negotiating a contract with the National Iranian Oil Company (NIOC) on the direct import of a reported 400,000 and 500,000 barrels of crude oil from April to December this year.

Until now the only oil contracted from Iran after exports were cut off in December last year was a spot purchase recently made by Mitsui. It is believed that if the long-term contract with Iran can be finalised, the problem of supply arising from Exxon's decision to stop supplies to non-affiliated Japanese companies can be overcome.

The trading companies, including Mitsui, Mitsubishi, Marubeni and C. Itoh hope to complete the negotiation soon.

The Ministry of International trade and Industry (MITI) is *not particularly concerned* about the impact on Japan's oil supply of only Exxon withdrawing as a supplier to 13 non-affiliate oil companies here. Exxon is to cut its shipments to them over the next six months by 50 per cent and thereafter stop completely. Exxon and its affiliates supplied about 14 per cent of Japan's oil last year. The portion that went to non-affiliates was around 4.6 per cent, or 235,000 barrels a day.

MITI is concerned over the effect that the Exxon move will have on the price of oil to Japan, already soaring because of the disruption in Iran. Mitsui reportedly paid about $18-20 (£9-10) per barrel for the spot oil deal it made.

Officials said there had been no indication so far that the other major oil companies are *planning actions similar to* Exxon's.

According to Japanese oil industry officials the cuts of supplies to non-affiliated companies had not been unexpected.

Anthony McDermott adds from Tehran: The NIOC yesterday was revealing neither the volume nor the length of the contracts. However, it is reported that Mitsui's volume is to be 200,000 barrels a day.

The price is expected to be lower than the $19-22 per barrel agreed in recent spot sales but final agreement will not be reached until pricing decisions at the next OPEC meeting towards the end of this month are known. The NIOC suggested that the prices for long-term contracts would not be much above those decided by OPEC.

West bids for major GDR deals

BY LESLIE COLITT IN LEIPZIG

EAST GERMANY is preparing to award a series of large contracts to Western companies for the construction of new factories and the purchase of know-how.

The most important of the deals expected to be concluded in the near future is for the modernisation of East Germany's truck industry centered at Ludwigsfelde. The project to equip a new factory and provide the license for new trucks is estimated to be worth as much as DM 2bn (£543m).

Citroen has been asked to submit an offer and other Western companies including Volvo and Fiat are also being approached. Chrysler of the UK is said to be involved in the Citroen bid and Kloeckner Humboldt Deutz (KHD) is understood to be involved in the Fiat offer. Citroen won a contract earlier this year worth some DM 740m for the modernisation of the East German Wartburg car factory.

The second largest project is *for the construction of an* ammonia fertilizer plant near Rostock worth approximately DM 720m. Creusot-Loire is one of the Western companies bidd*ing on that project.*

East Germany is also negotiating with a number of companies from Belgium, Italy and West Germany on the construction of a steel rolling mill at Unterwellenborn. Belgium's Cokerill and Kloeckner of West Germany are said to have submitted bids with the West Germans acting as sub-contractors. An East German delegation is said to be preparing to visit Italy next month, heightening hopes among the Italians that Finsider might land the contract. However, the crucial point is expected to be which Western company is prepared to accept the most East German payment in the form of products from the mill at a time when Western companies are finding it a challenge to sell their own steel.

Italy is reported to be planning to extend a $500m, eight-year trade credit to East Germany. Final details of the credit are expected to be negotiated in Rome next month. But it is understood that the credit would be available over three years at an interest rate of 7.75 per cent with the borrower able to draw $200m in the first year and $150m in each of the following two years.

Industrial projects under consideration which would be financed by the credit include a synthetic rubber plant which would be built by Anic, a heavy-duty tyre plant involving Pirelli.

£110m Czech paper mill

BY PAUL LENDVAI IN PRAGUE

TWO AUSTRIAN companies (Voest and Andritz) and the Finnish concern, Medex, are competing for a £110m order to build a large paper and pulp mill in Czechoslovakia. The Austrians are, however, hopeful that as a result of the good will generated by the current state *visit of Federal President* Rudolf Kirchschlaeger this contract, which will be the single largest order to be awarded this year by the Prague authorities, will be secured by an Austrian company.

The Austrian motor concern, Steyrdaimler Puch also hopes to sell large trucks to the Czechs while other cooperation deals are under discussion. However, Austrian officials who are accompanying the President *on his visit say that the* Czechs still show no interest in obtaining large credits so that any deal will have to be tied in some way to Austrian purchases from Czechoslovakia.

W. European terms of trade now worsening

By Brij Khindaria in Geneva

INDUSTRIAL OUTPUT should grow at a rate of about 3.5 per cent for the 13 countries of Western Europe this year and imports should rise faster than during last year, according to a report by the economic commission for Europe (ECE).

Trade and current account balances should weaken slightly for the region as a whole because of stagnation in export growth and a worsening of terms of trade.

A part of the worsened terms of trade will arise from unfavourable movements in the prices of Europe's commodity imports. With small increases in productivity, the course of inflation in Western Europe will depend largely on the development of wages and unit labour costs.

The progress achieved in 1977 and 1978 in slowing down inflation and improving trade balances provide a favourable starting point for Western European economies this year, and fixed investment should increase more than total output and more than private consumption, in contrast to previous years.

"Although the recent developments in the international oil *market have introduced* an element of considerable uncertainty, Western Europe's current account balance is unlikely to revert to the deficits of the *mid-1970s," the report says.*

Western Europe's total import volume was about 4 per cent higher and the export volume was 5 per cent higher during the first three quarters of 1978 than during the same period in 1977.

For 1978 as a whole, Western Europe's trade deficit with the oil exporting countries could amount to $6 to $7bn.

This major shift resulted from an expansion of Western Europe's exports to those countries to $40bn in 1977 from $4.5bn in 1970.

Average wage rates and incomes in Western Europe have fallen faster during the last two years than the slow down in inflation rates measured by consumer price indices. There was no noticeable *increase in employment in 1978* in Western Europe although employment increased in Canada by 3.2 per cent and in the United States by 4.2 per cent.

China seeking to treble sales of textiles to EEC

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

CHINA IS pressing the EEC to agree *to* a trebling of the annual level of its textiles exports to the Community to almost 60,000 tonnes. It would like to fill half this total with exports of cotton yarn, one *of the most* sensitive categories of textiles

The Brussels Commission, which is in the process of negotiating a multilateral textiles agreement with Peking, believes that the Community cannot accept more than 40,000 tonnes of Chinese exports a year without risking serious disruption of European markets.

EEC officials are concerned that even an increase of this magnitude would curb the EEC export opportunities available to developing countries, particularly Indian and Pakistan, faced with China's aggressive marketing techniques and production *efficiency.*

The Community was able to persuade the developing countries to negotiate multilateral agreements, limiting the growth *of their textile exports,* only by promising them that they would enjoy a guaranteed share of European markets under the arrangements.

It is feared in Brussels that if the supplier countries were now to lose out to Chinese competition, considerable damage would be caused to the *Community's relations with the* developing world.

As well as resisting China's demands for a trebling of its annual exports, EEC negotia*tors also* believe that the planned textiles agreement will have to embody several safeguard mechanisms to ensure an orderly development of bilateral trade.

These would be likely to include a fixed minimum price for the sale of Chinese textiles in the EEC. If this threshold *were breached, the EEC would* be entitled to restrict imports of the products concerned.

Another safeguard may be a formal undertaking from China that the current balance of its textiles trade with the Community would not deteriorate further. Last year, Chinese exports to the EEC totalled about $320m, while its textiles imports from the Community amounted to about $60m.

The Chinese may also be asked to guarantee the EEC supplies of raw silk, cashmere and angora.

The Commission believes that *it will be possible to* accommodate some increase in Chinese textiles exports out of the unused portion of the EEC's *global internal* import ceilings. For example only about 70 per cent of the 220,000 tonnes allocated for cotton yarn imports last year was in fact filled.

Britain, moreover, is understood to have reserved a portion of its own import ceiling under the EEC arrangements for eventual imports of cotton yarn from China. This reserve is understood to amount to about 2,500 tonnes annually, on top of the 4,000 tonnes which the UK is already buying from the Chinese.

Warning from Hong Kong

FINANCIAL TIMES REPORTER

A STRONG attack on EEC textile trading policies has been made in London by a leading Hong Kong Government official. He warned that an atmosphere of distrust between developing and developed nations now threatened to undermine the entire GATT structure.

Mr. D. Jordan, Hong Kong's Director of Trade, *Industry and* Customs, said the consequences forecast by the Colony in 1977 when the GATT *multi* fibre arrangement bilateral agreements were negotiated had been borne out.

Though the EEC's policy had been intended to give Britain's *textile industry* a breathing space from imports, it had merely produced a diversion of trade from developing countries to developed countries elsewhere in Europe.

The EEC's attitude during the MFA had amounted to a demand for a rewriting of international trad la wrules and *this had* produced a lack of trust which was now affecting the GATT Multilateral Trade Negotiations, Mr. Jordan claimed. The developing countries were convinced the GATT safeguard clauses proposed by the EEC would be used in a discriminatory way.

Exports of UK wool products up

BY RHYS DAVID

BRITAIN'S wool textile industry had overseas earnings of £402.9m in 1978—an increase of £13.5m on the previous highest figure set one year earlier.

The chairman of the National Wool Textile Export Corporation, Mr. Victor Blackburn, warned yesterday, however, that with markets proving much more difficult over recent months there could be some problems in repeating this *performance in 1979.*

In most product sectors the industry kept ahead of the previous year only as a result of price increases, with volumes either down or little changed.

In wool cloth, the biggest single item, exports were up 12 per cent at £169.5m but volume increased only 1 per cent.

Western Europe remained the industry's main market overall for fabric but sales of woollens at 10.945m sq metres were down from the 12.48m sq metres figure of 1978 and worsteds were down from 6.73m sq metres to 4.538m sq metres. The Middle East was the biggest *market for worsteds* with sales rising from 3.657m sq metres to 8.075m sq metres, while woollen sales also increased from 4.2m to 4.9m.

The big jump in worsteds sales was very largely due, however, to a major contract for uniform cloth with Iran which is not likely to be renewed. Sales of fabric to the Far East also rose but were lower in North America.

● A very high level of demand has caused Chester Barrie, the menswear manufacturers acquired by Austin Reed last year, to close its order books for winter delivery. Demand from overseas for Chester Barrie suits which retail at £200 and above is said to have been particularly strong, with orders from France up 20 per cent and from Italy 75 per cent.

Lucas wins $35m U.S. missile order

By Michael Donne, Aerospace Correspondent

LUCAS AEROSPACE has won a contract worth more than $35m (over £17m) to build capsules for the U.S. McDonnell Douglas Harpoon anti-ship missile which is being acquired by the Royal Navy.

The UK announced plans in 1977 to buy the Harpoon in its submarine-launched version for the Navy. Lucas Aerospace won an earlier contract to build actuators for the fins of the missile.

Delivery of the capsules—the missile casings—will begin in October, 1980, and continue until July, 1986. The contract includes tooling and other non-recurring costs.

This deal brings to $50m the value of Harpoon contracts placed by McDonnell Douglas in the UK, and the U.S. company expects to place contracts worth another $90m in the UK soon.

Rolls' deal for gas turbines

By Our Aerospace Correspondent

COOPER ROLLS, jointly owned by Rolls-Royce and Cooper Industries of the U.S., has won orders worth £12m for the supply of nine gas-turbine systems for the oil and gas industries in the North Sea and the Gulf.

The North Sea contract covers the supply in 1980 of two Cooper Rolls Coberra gas compression systems to Worley Engineering (UK) for operation by AMOCO (UK) Exploration on their gas production platform in the Rough Field.

A second offshore contract *covers the supply of two Coberra* units to the Oil and Natural Gas Commission of India in 1980 for use in the Arabian Sea.

On land, the Japanese Gas Corporation, acting as contractor for the Kuwait Oil Company, has chosen a Coberra system to drive a crude oil pump at the tanker loading terminal near Mina Al Ahmadi.

In addition four Coberra compression systems will be installed by the Abu Dhabi National Oil Corporation at Bu Hasa and Asab in 1979-80. All the gas-turbine systems ordered will be powered by Rolls-Royce industrial Avon gas-turbine engines.

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UK NEWS

Chemicals closure to cost 100 jobs

BY RHYS DAVID

)RE JOBS are to be lost on rseyside, where Akzo Chimie - part of the Dutch chemicals 1up, proposes to close its kby pvc additives plant and oratories next year.

The company blames the iliar difficulty in the Liver- l area of low efficiency, high eenteeism, and consequent r profitability.

Management says that in the rst sections of the plant, ablished during the war l acquired by Akzo from Z 10 years ago, absenteeism on occasion been as high as quarter. The chief trouble has apparently been among production workers, members of the Union of Shop, Distributive, and Allied Workers, with craft members of other unions much less affected.

Output a worker has been as low as half that in the company's other additives plants in Holland and West Germany, the management says. Expansion will take place on the Continent to make up for any shortfall as a result of the UK closure.

Akzo says it hopes to retain its substantial share of the UK pvc stabilisers market. It is one of the leading suppliers, competing with Associated Lead, CIBA-GEIGY, Lankro, and other groups.

Dr. Eric M. Hunt, executive chairman of Akzo Chimie UK said yesterday that they were giving the longest possible notice of closure to minimise hardship. One hundred jobs will be lost. Limited opportunities to transfer to other Akzo Chimie plants in the UK will be offered.

The company's laboratories on the Kirkby site, employing 70 people, will be transferred to Littleborough, Rochdale, where Akzo operates a fatty acids and surfactants plant. Staff will be offered the chance of moving there.

The closure comes as another bad blow for Merseyside, where unemployment xceeds 10 per cent, and for Kirkby in particular. A new town developed in the 1950s and 1960s to provide overspill housing for Liverpool, Kirkby has become one of the main economic and social blackspots on Merseyside, with unemployment of more than 20 per cent.

Merseyside County Council launched a programme last year aimed at improving the industrial environment in the area in association with the Brick Development Association. This will seek to refurbish premises and clear derelict land as well as provide inducements to attract new industry.

● A total of 700 workers at GEC's Trafford Park plant have been told that unless a ban on overtime work and sub-contracting is lifted the high voltage switchgear manufacturing unit will close from tomorrow. The dispute is over a wage claim. The unions complain that the company has refused to make an offer unless the men agree to a new piece-work structure.

Agency to help small firms

By John Elliott, Industrial Editor

TWO CLEARING banks—the Midland and Barclays—are to be founding members of the London Enterprise Agency which will be set up in four weeks' time to channel help from large companies to small firms.

The agency will be based in the London Chamber of Commerce headquarters and will comprise about 10 major companies including Shell UK, BP, IBM, Marks and Spencer, and the Industrial and Commercial Finance Corporation.

It will have a full-time staff of about seven, mostly seconded from the companies involved. They will provide general advice to small firms and will channel financial and other queries to expert organisations. They will also act as a clearing house for the companies to supply special expert help when it is needed by a small firm.

Providing cash

The two clearing banks will be ordinary members of the agency although they may make special arrangements for providing finance to firms which have been helped or vetted by the agency.

The idea of setting up the agency emerged from discussions between Government Ministers and industrialists last summer and the detailed arrangements have been under preparation for about four months.

The debate about the financing of small firms and the role that city institutions will play is likely to build up during the coming weeks, after the publication today of the Wilson Committee's interim report on small firms' financing.

Change in Bill to help jobbers

BY ANDREW TAYLOR

THE GOVERNMENT has tabled amendment to the Companies Bill which would significantly reduce the threat to jobbers of prosecution under proposed legislation to deal with insider trading.

The amendment follows complaints from jobbing firms that the Bill in its present form would seriously hamper their trading operations.

They said that the relevant clause failed to recognise that jobbing firms rely heavily on rumour and speculative information which, under the Bill, could be regarded as inside information.

The Government amendment will shelter jobbers from prosecution under insider dealing legislation provided that the individual has acted in "good faith" and the information received "was of a description that it would be reasonable to expect him to obtain in the ordinary course of the business."

The Department of Trade said the amendment would give jobbers limited exemption from the effects of insider dealing legislation.

The Stock Exchange Council last night welcomed the government initiative. An official said: "This recognises that jobbers are a special case and that the clause in its present form took no account of the way in which jobbers operate."

A partner at Wedd Durlacher Mordaunt said it had always been recognised that jobbers could not have operated normally had the clause remained unchanged.

Meriden sets limit of £1m in interest

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

RIDEN MOTOR-CYCLE co-rative can not and will not more than £1m interest rges due to the Government June 30, Mr. Geoffrey binson, the managing ector, made clear yesterday.

ut he was confident that the ernment would agree to ve the interest. "You can- get blood out of a stone. We confident they will see it way."

leriden employed 700 kers, exported 80 per cent its production and was "a tively small company fight- against the big league of or-cycle manufacturers."

he forthright public stance pted by Mr. Robinson, who is our MP for Coventry North t, will put new pressure on Government for a quick sion.

iscussions with the Depart- it of Industry are continuing no decision has yet been n. But so far, Ministers are ught to have considered ely deferring the interest nents until the end of ember.

r. Robinson made plain erday that he was looking a complete waiver of the ges.

e co-operative expected in current financial year to September 30 to "do better than break even," he said. "But any funds we make have got to be ploughed back into the company in the form of new machinery and new products to safeguard our future."

The first responsibility of management was to ensure the continuance and survival of the business. To do that, the co-operative had to make up for "decades of neglect" in investment.

"If we are successful, we would expect the Government in due course to be associated with, and to profit from, our success. But let us first be successful," Mr. Robinson urged.

Meriden was granted a £4.2m State loan when it was established in 1974. After a second Government rescue negotiated in February 1977, interest on the loan was deferred, and the accumulated interest charges are now scheduled to be paid from June 30.

Mr. Robinson was speaking at the Meriden launch of a new model of the Triumph Bonneville. The motorcycle, incorporating a number of improvements, including electronic ignition, is produced particularly for the North American market.

Telegraph bills prices Board

By Our Consumer Affairs Correspondent

THE DAILY TELEGRAPH is the first company to present a bill to the Price Commission for the amount of management time taken up with dealing with an investigation.

Many companies, since the commission started 19 months ago, have threatened to invoice for the disruption caused by an investigation, but the Telegraph is the first to present an invoice.

The bill is for £7,866.36 and covers the 948 man-hours spent by Telegraph staff in providing information for the commission.

The Telegraph's claim, however, is unlikely to be agreed by the commission. Normal Government practice is that time spent on providing information for a Government agency is not reimbursed, although individual expenses such as travel may be paid.

Overheads and the cost of accommodation for commission staff were not included in the bill.

Last week the commission published its report on a 1p price increase sought by the Telegraph. Although the commission allowed the increase it recommended that the paper's cover price and advertising charges should be frozen until October. The Telegraph refused to agree to this restriction, forcing Mr. Roy Hattersley, Prices Secretary, to lay on order before Parliament earlier this week enforcing the restriction.

Sainsbury to build £3m Leeds shopping centre

BY CHRISTINE MOIR

J. SAINSBURY is to build a £3m shopping centre in North Leeds, having won the tender for the development against stiff opposition from Tesco. The Leeds' City Council announced the choice yesterday.

Sainsbury's plan a 100,000 square foot district centre on a 10-acre site at the junction of the Ring Road and King Lane.

The centrepiece will be a 40,000 square foot Sainsbury supermarket which will include a bakery and freezer centre. It will be the company's first shop in Leeds and its largest in the North of England.

The other anchor store will be a 40,000 square foot do-it-yourself and garden centre to be operated by Dodge City, a South-East DIY group.

Four other units will be let by Bernard Thorpe and Partners, who also introduced the site to Sainsbury. A public house and a library are also included.

Talks over ferry delay

BY OUR BELFAST CORRESPONDENT

BRITISH RAIL'S Sealink division is having talks with Harland and Wolff, the state-owned Belfast shipyard, about a three-month delay in the construction of the first of three new ferries. The ship was to go into service this summer between Ulster and Scotland.

Sealink said yesterday that the talks were aimed at minimising the delay and ensuring that the programme for the next two ferries was adhered to.

Harland and Wolff said bad weather and strikes by tanker and road haulage drivers had contributed to the delay and there had been difficulties with steel deliveries.

Sitting tenants can buy Port Sunlight houses

BY LISA WOOD

MORE THAN 3,000 people living in the company village of Port Sunlight, on the Wirral, near Liverpool, are to be given the chance of buying their "tied-cottage" homes.

The village was built nearly 100 years ago by William Hesketh Lever, later first Viscount Leverhulme, to house workers in his soap business. This developed into the multi-industry Lever Group on Merseyside.

With a rich mix of housing and community buildings, it was recently designated an outstanding conservation area.

Announcing the option of buying to residents and employees, UML, the Unilever service company which manages the village estate, said it was responding to changing social attitudes.

"We feel we will be respecting the wish of many to own their own homes and to have greater freedom to move elsewhere if the occasion arises.

"This in no way prejudices the present tenancies. In fact, it could be several decades before the village becomes wholly owner-occupied."

Tenants who do not want to buy can keep their tenancies, but in future tenancy will not be tied to employment. When houses become vacant they will be offered for sale on the general market.

The village, with 900 houses and 3,000 inhabitants, has a large population of pensioners who stayed on after retiring from Unilever. Sales will start next year. No details of the cost of the houses have yet been given.

Lorry-makers gain on importers

Y KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TISH COMMERCIAL vehicle ufacturers in February ptured some ground they lost to importers. As a lt in the first two months of year the steadily increasing etration of the UK market mporters was brought to a

e total market continued to e strongly upward. In ruary, sales of commercial cles at 22,501 were 15.6 per ahead of the same month year.

or the first two months sales 6.8 per cent up at 44,396, rding to statistics from the ety of Motor Manufacturers Traders yesterday.

nproved availability of UK- t vehicles played a major in the better performance home manufacturers in ruary, when the British e improved by 1.1 per cent 1 per cent.

or example, sales of Bedford cles in the first two months 52 per cent ahead of the e period a year before, ng the General Motors sub- ary 21.4 per cent of the total ket.

be importers suffering a nturn in the first two ths included the Japanese he light end of the market, Scandinavians (Volvo and Scania) at the heavy end, and Fiat of Italy.

The snow and ice brought out buyers for four-wheel-drive vehicles, counted among the commercials by the SMMT. Sales in the two-month period shot up by 96 per cent to 1,774. Of these, Land-Rovers from BL accounted for 1,346, up from 880 in those months of 1978.

But Land-Rover no longer has the market to itself, and sales of Daihatsu vehicles, Subaru four-wheel-drive cars, both from Japan, and Jeeps from the U.S., were growing fast from a small base.

BL's figures were helped by increased sales of Sherpa vans from the Austin-Morris subsidiary.

But Leyland Vehicles, the heavy truck business, continued to lag behind the market with sales down marginally from 2,175 to 2,127 in the two months.

At Ford better availability as production picked up after last autumn's dispute gave the group a good February with sales up from 5,139 to 5,918.

But the major setback in January resulted in the two-month total lagging at 10,578 against 13,564 last year.

Total BL commercial vehicles sales advanced in the same period from 10,311 to 11,696.

MK Electric plans double turnover

By John Lloyd

MK ELECTRIC, the leading UK manufacturer of plugs and sockets, plans to double its turnover in the next five to 10 years—with growth expected to come almost wholly from increased exports.

The company's turnover in financial year 1977-78 was nearly £40m, with exports accounting for 24 per cent.

Mr. Michael Dowsett, MK's managing director, announced the planned expansion at the inauguration yesterday of the Kuwait Electrical Wiring Accessories Company, a joint venture between MK and a consortium of businessmen in Kuwait.

It is the second overseas plant for the company, following the opening in 1977 of an accessories plant in Singapore. The company plans further plants in Malaysia and Africa in the next 12 months.

The Kuwait factory will be the only one in the Middle East assembling electrical wiring accessories, and is the first to employ semi-skilled female labour in the area. It will have a capacity of 310,000 units a month.

The company is expected to concentrate its export drive in developing countries.

Sotheby's takes £658,000 for letters and MS

SALEROOM

BY ANTONY THORNCROFT

HEBY'S completed its auc- of Autograph Letters and torical Manuscripts yesterday a total of £658,000, almost much as the entire depart- it brought in last season.

he top price was the £5,200 n Rota, a London dealer, for kin's autograph manuscript notes of Val d'Arno anf s Clavigera. Seventy-six ers by Kipling realised 00, and Quaritch paid £3,600 Burns' autograph manuscript Afton Braes and £3,500 for The Battle of Sherra-Moor. learly 300 letters from P. G. dehouse to his friend Guy ton were sold by Guy Bolton £3,200. Quaritch secured rdsworth's autograph manu- ipt of "The Solitary Reaper" £2,300. The papers of the torian artist G. F. Watts went £15,535, and of Enid Bag- d for £10,285. A love letter m Dickens to Mrs. Colden 1 for £1,800.

At Sotheby's Belgravia a otograph of Isambard King- n Brunel sold for £5,300. Two rs ago a similar print made 400. In an auction of modern itish John Singer Sargent did ll at £9,500.

The six-volume "Monograph the Trochilidae," or "Family the Humming Birds," pro- ced with 418 lithographs by uld and Sharpe between 1849 d 1887, sold for £23,000, plus the 10.8 per cent buyer's premium, at Christie's yesterday.

The auction of natural history and travel books totalled £133,979. Weiss, the Belgian dealer, gave £14,000 for a "Theatrum Orbis Terrarum," the atlas by Ortelius with 110 maps published in Antwerp in 1584; and £8,500 for "Le Théâtre du Monde, England and Wales" by Willem and Jan Blaue, of 1648. A German buyer bought a first edition in five volumes of "Allgemeine Naturgeschichte der Fische," by Bloch, for £8,500.

● A country house sale next Tuesday will be more interesting perhaps because of the vocation of the vendor than the quality of the goods.

Sotheby's is disposing of the contents of Britwell House, Oxfordshire, the early Georgian home of David Hicks, the interior decorator, and his wife Lady Pamela, daughter of Earl Mountbatten.

Sotheby's estimates the value of the contents at £250,000, but country house sales often exceed forecast.

Summer course in financial management

A TWO-WEEK course designed for middle-ranking and senior managers who are not trained in accountancy but who need a greater theoretical and practical grasp of the financial management, is to be held in London from July 9 to 20.

It is being organised by the Financial Times and The City University Business School of London, and is to be called Financial Management for the Non-Financial Executive.

Details are available from the Financial Times Conference Organisation, Bracken House, 10 Cannon Street, London EC4P 4BY. Telephone 01-236 4382.

Banking Bill amendment bid

THE Financial Times reported on Tuesday that a group of 25 foreign banks was planning a last-minute campaign to alter a provision of the Banking Bill. Korea First Bank and Banque Occidentale pour l'Industrie et le Commerce (Suisse) have since pointed out that they are not members of the group. The report was based on information supplied by the group organisers.

Computer groups may soon face liquidity snags

BY COLLEEN TOOMEY

THE COMPUTER equipment industry may face short-term liquidity problems in the near future, it was stated yesterday.

Because of the structure of this high-technology industry, a downturn in the fortunes of one or more of the computer giants would have serious repercussions on the rest, says an analysis of 60 leading companies.

Overall liquidity in the ratio report shows that only 16 out of 47 companies have a generally-accepted safe level of 2 to 1, while the average level in the survey is 1.6 to 1.

Two factors emerge to illustrate why the analyst believes there is a danger of short-term liquidity problems.

- Stock levels have increased in 32 out of 47 companies, and as stock is the least liquid of current assets the loss to these companies in an industry characterised by very rapid rates of obsolescence could be great.
- The average credit period of 75 days for the computer equipment industry is higher than the average for the whole UK economy, 70 days. The survey shows that 24 companies had a collection period longer than 100 days. Burroughs managed to reduce its credit period from 138 to 98 days last year while IBM's remained at 38.

Sales growth in the three-year period to mid-1978 shows an impressive increases, particularly in 1977-78.

Sales that year increased by over 20 per cent to £1.6bn, of which IBM contributed 36.8 and ICL 26.6 per cent. In the same period 45 of 47 companies increased their sales with IBM from £493.9m to £578.8m.

One important feature of computer equipment is the high percentage of output exported. In 1977-78 exports of £480m amounted to 30.5 per cent of output, of which IBM contributed 54.9 and ICL 17.3 per cent. Britain is still a net importer of computer equipment.

Profits in the same three years improved markedly. Pretax profits rose by about 50 per cent overall, to £191m.

The survey points to Burroughs' improved performance. In 1977 it converted a £2m loss into £13m profits and improved margins from 2.7 to 12.2.

Report on Computer Equipment by ICC Business Ratios, 81 City Road, EC1 1BD. £44.

Code of practice for funerals

A CODE of practice covering 80 per cent of all funerals was launched yesterday by the National Association of Funeral Directors. It was produced in consultation with the Office of Fair Trading and covers all services provided.

It also sets out common principles for association members to follow. These include a simple basic funeral at an inclusive price; provision of detailed charges and written estimates; advice on insurance coverage and social security benefits; and a clear procedure for resolving complaints, backed by conciliation and independent arbitration.

Metal Box plant reprieved

BY PAUL TAYLOR

UNION PRESSURE has led Metal Box to drop plans to close its Portsmouth plastic film factory for the time being. The closure would have cost 560 jobs.

The company said yesterday that it would test an alternative plan, prepared by the seven unions at the factory, for a year, then review results.

Details of the conditions for the reprieve wil be discussed by the group's management and union officials on March 23.

The unions, informed in January of the plans to close the plant, formed a joint working party to prepare the alternative plan.

It involves 70 voluntary redundancies over three years, reduced manning levels, the re-introduction of a site union committee and "certain industrial relations assurances."

They said that might save about £450,000 in wages and ensure the future viability of the plant.

The Portsmouth factory, which produces plastic laminates and wrappings for food packaging is understood to have been losing up to £100,000 a year in recent years in spite of a turnover of about £4.7m. The company blames stiff competition from overseas at the cheaper end of the market and slower growth an expected in frozen and packaged foods.

Metal Box said yesterday that it was willing to give the plan a trial. In a full review after a year, the success or failure of the scheme would be judged mainly against the achievement of union's targest figures for sales and profitability.

The company believes that the figures may be optimistic.

Metal Box's original plan involved expansion at its other plastic film factory at Speke, Merseyside. It gave a warning that the Speke plant might now face "volume problems" but said the unions had agreed to set up a working party to examine them.

Plessey to sell new digital exchange range

By John Lloyd

PLESSEY is to market a range of small private, digital exchanges to complement its large digital exchange (PDX), introduced last year.

The exchange is the first of its kind in the UK, though the basic technology has been licensed from the ROLM Corporation in the U.S.

The new range will be especially applicable to companies with branch offices, local authorities and government bodies with several locations where the large exchange can operate with a "family" of smaller ones.

Announcing the new development, Mr. Jack Donnelly, chief executive of Plessey's communications and data systems division, said that the PDX had proved to be one of the company's fastest selling products at home and abroad.

"Our ultimate aim is to provide a range of high-traffic private digital exchanges up to 4,000 extension lines which covers 95 per cent of all known customer needs," he said.

Boom in management consulting continues

BY JASON CRISP

THE DEMAND for the services of management consultants continues to boom. In 1978 the fee income of the members of the Management Consultants' Association rose by 25 per cent to £45m, according to the association's annual report published yesterday.

Most of the increase came from within the British Isles where the rise of 31 per cent was almost twice that of overseas work, which grew by only 16 per cent. This pattern is in direct contrast to that of 1977, when overseas income rose 43 per cent and UK by 13 per cent.

The largest slice—34 per cent—of overseas work continued to come from the Middle East, where the management consultants earned over £6m. Africa and Western Europe were the two other major sources of work, each providing income of about £4m.

According to the association, the two main areas of work performed by the consultants involved the application of computer technology, especially in management information systems—because of the tumbling costs of data processing—and personnel management. These two categories between them accounted for nearly half the work in the UK, and were the areas of greatest growth, expanding 46 per cent and 44 per cent respectively.

Most notably the area where the consultants are finding no growth in business is "organisation, corporate development and policy formation," which was only 2 per cent higher than in 1977, although it still accounts for 10 per cent of the work.

Although marketing and sales are a relatively small part of the consultants' activity, they grew by 50 per cent last year. Also, work on economic and environmental studies was markedly higher at 32 per cent.

Mr. Harry Roff, chairman of the association and of MSL International, forecast, with some reservation, further growth in the activities of management consultants. He said the biggest factor was the finding and training of new staff.

Report out on printing machinery

By Hazel Duffy, Industrial Correspondent

METHODS FOR making the printing and bookbinding machinery industry more competitive are the main theme of the sector working party's progress report,* published today.

Exports account for over 60 per cent of the industry's output, but imports are rising and now account for over 50 per cent of machinery sales. The industry's favourable trade balance is highly dependent on type-setting and graphic reproduction equipment.

The other three sectors—printing presses, bookbinding machinery, and paper converting and cutting machinery—moved in 1977 into a situation where imports exceed exports.

As a result of the working party's efforts and studies commissioned, the main areas of recommended action are a more selective and planned approach to export marketing, in which the trade associations need to make more resources available with the assistance and encouragement of the Government, and formation of an export projects group to seek early information on possible turn-key projects.

Collaboration

The working party is also aiming at increasing collaboration with customers at a senior executive level to facilitate development of new products.

As a follow-up to the identification of products where the British industry is weak, the working party intends to examine the detailed market potential for some of these products and assess the scale of effort which might be needed to establish a significant presence in the UK market.

*NEDO Printing and Bookbinding Machinery SWP. Progress Report 1979.

Air Canada will fight UK over Gatwick move

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR CANADA intends to resist the UK Government's efforts to move the airline from Heathrow to Gatwick Airport. The Canadian Government can retaliate against British airlines if the UK persists in its plans.

That was made clear in London yesterday by Mr. Claude Taylor, president of Air Canada. He told the Canada Club that all elements of Canadian life—Government, Parliament, Press and people—were united against the UK Department of Trade.

"The proposals would cost us $16m (about £7m) in 1980 and annual costs would rise to probably $45m (about £19m) in 1990, a total cost over the decade of $245m," Mr. Taylor said.

"We reject the proposal. We can't move; there is too much at stake. The cost to customer and airline alike is immense."

Air Canada had 100,000 passengers a year who changed flights in London. "They cannot conveniently do so at Gatwick or transfer to Heathrow. Many would be driven to travel on U.S. airlines," Mr. Taylor said.

"Gatwick is a one-runway airport, and the runway is too short for our purposes. At certain times of the year our aircraft would have to depart with smaller loads than they would otherwise carry or make a refuelling stop en route to Western Canada.

"We have a substantial physical plant at Heathrow. It helps us to earn valuable revenue from other airlines and it would have to close."

Air Canada had long-service staff at Heathrow. "Many would lose their jobs. At Gatwick we have no choice but to hire a contractor to handle most of our ground services. Cargo for the bellies of our passenger aircraft would have to be hauled between Heathrow and Gatwick by lorry."

Congestion was not unique to Heathrow. "Gatwick has its peaks, which are bound to get worse. It is largely a charter and stand-by airport and crowds will grow. Both London airports have problems, but it is not for us to solve them. Nor ought they to be solved at our expense."

Mr. Taylor also spoke of difficulties over jet fuel. "The pressure on costs is enormous and supply is uncertain. In Canada supply is tight but adequate. In the U.S. supply is extremely tight."

Prices would rise sharply, and every fuel price rise would go directly on to fares. One big airline, American, had estimated that every cent added to the price per gallon would raise fares a half of 1 per cent.

"No airline will be immune from the impact of the current energy crisis," he said. "Prices will go up, excess capacity will have to be cut, and load factors will once again rise."

Airliner noise rules to be extended

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TOUGHER REGULATIONS on airliner noise are to be introduced by the UK Government, increasing the types of aircraft to which the rules apply.

Under the new Air Navigation (Noise Certification) Order, laid before Parliament, yesterday, by Mr. Stanley Clinton Davis, Under Secretary for Aviation, propeller-driven airliners will for the first time become subject to noise rules, while small jet aircraft (below 5,700 kg) will also be affected.

The new Order will also allow the Government to prohibit from January 1, 1986, all subsonic jet airliners which have not been modified to meet the noise rules.

New types of jet airliner which have applied for Certificates of Airworthiness after October 6, 1977, will also be required to conform to the stricter noise rules.

Trans World's quick check-in

TRANS WORLD AIRLINES is introducing on all its London flights to the U.S. a fast check-in method. Up to a month in advance of departure from London passengers can reserve a particular seat and obtain their boarding passes for outward and return flights.

The system enables passengers to by-pass the check-in desk, which may be crowded.

● NEWS ANALYSIS—ICI ORGANICS DIVISION

Why the unions dispute motives for job cuts

BY SUE CAMERON, CHEMICALS CORRESPONDENT

TRADE UNIONISTS have responded angrily to reports that Imperial Chemical Industries is thinking of reducing its organics division workforce by nearly a fifth.

ICI emphasises that no final decision has been taken. It has proposed the cut in jobs because of the comparatively poor performance of the organics sector over the past few years.

It points out that its organics workforce has been declining by about 4 per cent annually since the mid-70s, when the boom in dyestuffs and organic chemicals ended abruptly, thus any such move would be an acceleration of a trend that has been noticeable for some time.

The unions see ICI's proposal to lop 2,000 or so jobs from the present 10,800 as much more than that.

Perhaps more important, they demand much more detailed, and confidential, evidence of ICI's assertion that the organics business is under pressure.

The Association of Scientific, Technical and Managerial Staffs, for example, said yesterday that it was not prepared to accept the group's facts and figures at face value.

It emphasises that ICI should have consulted employees much earlier about difficulties in the division. The present proposals to reduce jobs showed what a "sham" ICI's much vaunted consultative procedures were.

"The company announces the solution to a problem it has not discussed before and expects trades unions to accept it," the association said. "ICI seems to think we will be prepared now to sit down and help decide which employees should go and when.

"What we want is to get back to the beginning and look at all the available information—in confidence—to see if there is an alternative and less unpleasant solution."

However, although the association is ready to contest what it calls "ICI's homework," trade union leaders appear to accept that organic chemicals have been suffering in the marketplace in the pastf ew years.

ICI's organics division includes dyestuffs, probably its most important business area; pigments, used to colour printing inks, plastics and paints; biocides, to preserve paints, leather and beer; speciality chemicals, for textile and paper treatments; and chemicals used in making polyurethanes (plastic foams).

Between 1968 and 1975, when the effects of the Middle East oil crisis started to erode profits, dyestuffs and pigment producers were expanding fast throughout Europe. Business was good and many large companies increased production capacity.

Then came the downturn, with huge increases in oil prices and chemical raw materials.

The effects of that are still being felt, as ICI noted grimly in its annual report, out last week. The figures showed that the group's trading profit on organics fell from £55m in 1977 to £21m last year.

"Demand for dyes was adversely affected by the continuing low level of activity in the textile industry, particularly in Western Europe, and also by the current fashion for pale shades," the report said. Pale fabrics require less dye.

"With depressed markets and low growth it was not possible, because of overcapacity, to raise prices to the extent necessary to recover cost increases. Profits therefore suffered."

Dyestuff producers throughout Europe have suffered. Most must cope with the comparatively modern, excess capacity they built only a few years ago, so price competition is fierce.

The position is little better in pigments. ICI's report noted that "pigments were depressed and profits were reduced."

The report was equally glum about the polyurethane chemical business in Europe, which, it said, "experienced low demand and weak prices." Polyurethane chemicals, however, might be an area that the union's representatives will examine particularly closely if they are ever allowed a look at ICI's detailed figures.

The motor industry is a main customer for polyurethane foams and car manufacturers in Europe have been booming. Although the UK automotive industry has met obstacles, ICI does not rely solely on that market. The group, like any other big chemical concern, operates internationally.

ICI's report shows that its performance on biocides last year, if not exciting was at least "comparable with 1977."

Its speciality chemicals should have presented few difficulties. Most of ICI's production in that area is for internal use, and a report published in January by the specialised organics sector working party (set up as part of the Government's industrial strategy) said that that sector of the UK chemical industry was expected to reach an imports and exports trade balance several years earlier than first forecast.

It is difficult to compare ICI's performance in organics with those of such other principal producers as Hoechst or Bayer, of West Germany, or Ciba-Geigy, of Switzerland. That is because ICI has taken an idiosyncratic line over the definition of "organics."

Most main European chemical producers include commodity products such as aromatics under the heading of organics, but ICI includes those under petrochemicals.

However, ICI's competitors are al lsuffering from the rise in naphtha costs that has been accentuated by the Iranian oil crisis. Naphtha, the most important feedstock in the petrochemical industry, ultimately provides the raw material for such products as dyestuffs.

Yesterday, ICI was prepared to give only scant information about its organics division. That, it explained, was because plans for job reductions were still under discussion.

It added that if jobs were cut, it would be through natural wastage. There would be "no enforced redundancies except as a very last resort."

It is understood the proposed job cuts would be made over two years. Most are thought likely to be in the division's headquarters at Blakely, Manchester. However, the group will be hard pressed to convince the unions of the need for job reductions of the order being considered.

The union said: "There must be some sleight of hand in the accounting when a company that operates on a worldwide basis, a company as profitable as ICI, says the staff in a single one of its divisions must carry the can for a downturn in that sector's performance."

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NEDO study critical of brewers' efficiency

'Y DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

: PRODUCTIVITY of Bris brewers was criticised erday by the National nomic Development Office's ving sector working group.

a study of investment and ency in the brewing industhe group says that "it is content with the industry's uctivity record." The study ved that overall productivity remained broadly unged between 1968 and 1975. There is therefore plenty of for improvement and the p is attaching importance s work on productivity and oing on to identify and e specific individual provity problems," the group

ie study was carried out in onse to criticisms made in by the old Price Comion, shortly before it was replaced by the present Commission.

These criticisms included comments that large brewers charged higher prices but had lower profit margins than smaller brewers. "This coincidence of higher prices and lower profit margins gives rise to fundamental questions about the trade and its organisation," the Commission's report had commented.

However, the NEDO group argues that "it would be impossible to isolate the difference in performance that are attributable to size and that comparisons of performance based simply on size are likely to be misleading."

The Price Commission was also critical of the effectiveness of the brewers' investment in the 1970s which had "not improved the position of either consumer or large brewer."

The NEDO group points out that while there "are naturally uncertainties" about the success of investment projects, "the scale of the present investment plans looks about right if the brewing industry is to continue to supply the vast bulk of the domestic market and possibly to displace some imports or provide additional exports."

But the study emphasises that the group will continue to pay attention to productivity in the industry because "of its importance in determining the level of wages and profits that can be earned."

Investment and Efficiency in the Brewing Industry, NEDO Books, 1 Steel House, 11 Tothill Street, London, SW1; free.

Building society controls rejected

By Eamonn Fingleton

PROPOSALS FOR new monetary measures to control building societies were rejected yesterday by a leader of the movement.

Mr. Leonard Williams, chief general manager of the Nationwide, said any new controls were unlikely to be more acceptable to the movement than existing arrangements for voluntarily restricting lending when mortgage funds are abundant.

Mr. Williams, who is to take over as chairman of the Building Societies Association in May, was speaking at a meeting of the Royal Society of Arts in London.

His comments follow suggestions from the big banks that building societies have an unfair advantage in not being subjected to control on the level of their investments.

Mr. Williams said: "There are grounds for agreement that investments in building societies have some of the characteristics of money and that building societies' savings gathering activities go some way towards increasing the velocity of circulation of money in the system. The real issue, however, is the extent to which these postulations are material and thus whether investments in building societies should be brought within the definition of money which forms the basis of monetary controls."

Unsuited

Building societies were very unlike banks in the way they operated and in their asset and liability structure. The measures used to control banks therefore would not work efficiently with building societies.

He added: "A corset control, by which building societies would have a prescribed ceiling for the increase in their interest-bearing liabilities with any excess having to be deposited in non-interest-bearing accounts with the Bank of England, would seem unlikely to improve the authorities' overall control. It is doubtful whether the nature of the penalty would be a sufficient disincentive to building societies as non-profit organisations, and assuming it were, it needs to be asked whether it might encourage societies to develop non-interest-bearing or low-interest-bearing current accounts and thus bring them even closed in character to commercial banking institutions."

A system of special deposits would not work because societies, thanks to their high liquidity at all times, could meet their obligations without "too much embarrassment." Control by reserve asset ratios would encourage societies to raise their margins to get reserve assets.

'ourt decision n Penthouse aming licence

PENTHOUSE CLUB can enge the Gaming Board's sal to let it apply for a ng licence for its casino in lon's Mayfair, three High t judges ruled yesterday.

. Louis Blom-Cooper, QC Penthouse Club (International), told the Queen's h Divisional Court that they ed to apply for an order hing the Gaming Board's ion not to grant the com- a certificate of consent to for a licence.

e decision was null and and the board should be ed to reconsider the com-'s application, said counsel.

e Lord Chief Justice, Lord ery, sitting with Lord ce Cummin-Bruce and Mr. ce Neill, said that the club an arguable point of law should be considered by ourt.

e Gaming Board of Great in was not represented at rday's hearing.

Direct Labour Bill backed by builders

BY PAUL TAYLOR

WASTEFUL USE of direct labour by local authorities is costing ratepayers and taxpayers millions of pounds a year, claimed Mr. Frank Gostling, president of the Federation of Building Trades Employers, yesterday.

Mr. Gostling launched his attack on council construction departments at a meeting of the federation's eastern region in Cambridge linking the issue with the high level of rate increases facing many ratepayers in April.

He said it had always been important to ensure that local authorities provided value for money but that the level of proposed rate increases for 1979-1980 made it even more important now.

Council direct labour departments should compete fairly with free enterprise concerns to arrive at the best price. There had been too many cases where overspending and poor accounting in this area had been "spectacular." This was a waste of ratepayers' and taxpayers' money.

Mr. Gostling urged support for the Direct Labour Bill introduced by the Earl of Kinnoull in the Lords which seeks to ensure, among other things, that council building departments keep detailed accounts to demonstrate their true cost and competitiveness.

The Bill also seeks to establish direct labour organisations as "trading undertakings for certain limited purposes" and to ensure that they compete for at least 80 per cent of the value of new construction work they undertake.

Mr. Gostling said the Bill "cut right across party lines" and was long overdue.

ıshroom farm close

: largest employers of r in the seaside town of er, Norfolk — Middlebrook rooms — is to close its with the loss of more than obs.

redundancies will be d and the 11-acre farm produces nearly 3.5m lbs ıshrooms a year will close ovember 30.

statement from the comsaid that the farm needed lding and modernising at t of more than £1.5m and Board could not approve urther capital expenditure omer.

siness from the farm will ransfered to the group's centre at Selby, Yorkshire expansion plans are way.

Inner city policy 'has fallen short'

FINANCIAL TIMES REPORTER

THE GOVERNMENT'S policy on inner city areas has "fallen far short" of the necessary long-term commitment to resolving urban problems says the Town and Country Planning Association.

The association, in a powerful policy statement published today, calls for a re-think on inner city ploicy and suggests a series of radical measures which are needed if the policy is to succeed.

The paper, presented to Mr. Peter Shore, Environment Secretary, sets out the failings of the existing policy and examines seven inter-related aspects of that policy—planning, participation, new institutions for development, land, employment, resources and infrastructure.

The association identifies two basic objectives for the policy. First, providing a planning framework, and second, providing the right development tools to enable the objectives to be achieved.

A big "imaginative leap forward" is needed if local authorities are to co-ordinate and match requirements, for example for jobs and houses, to a realistic target. The association also urges the preparation of local plans for all inner city areas "as soon as possible."

The seven partnership areas —the foundation of the Governments' existing policy—involving both local and central government— have created bureaucracies and have failed to tap local initiative. Instead, the association suggests the revival of neighbourhood councils.

In areas where there is a considerable amount of underdeveloped land such as London's Docklands, the Eastern area of Glasgow and Everton in Liverpool, the association proposes a modified form of new town development corporation with a greater degree of local authority involvement.

In other urban areas it favours the establishment of public development companies.

irmail service ıspended

IAIL LETTER and parcel ces between the UK and a have been suspended March 23 due to the re of Accra Airport, the Office said yesterday.

Lack of home loans—agents

ESTATE AGENTS claimed yesterday that Britain is suffering the worst mortgage shortage for decades.

The National Network of Estate Agents rejected a claim by the Building Societies Association that there is no "mortgage famine."

Mr. Laurence Barbet, the network's secretary, said he had never known a worse situation. "People buying a house in March are likely to find that mortgage money is not available to them until possibly July."

NTRACTS

Standard Telephones wins :6m Trimphone order

POST OFFICE has awarded m order for more than 00 Trimphones to the audio ion of STANDARD TELENES AND CABLES. The is for both the rotary dial on and the new pushbutton of Trimphone that the Post has recently made avail-

★

South of Scotland Electricity d has placed a £3.4m order International Computers for 30 computer and a dual 2972 outer for a custom-built outer centre at the Board's

★

VTON CHAMBERS ENGINING, a Central and Sheer- subsidiary, has been ded a contract worth about for watergates for the Lea ion of the Thames Water ority.

★

vn Agents has placed cons worth over £500,000 with IEYWELL to upgrade a el 66 large-scale computer em.

★

Europe Inc. has ordered a sage switching system valued 270,000 from ITT BUSINESS TEMS. The computer-based ITT 6404 ADX system will built at Enfield and Cockers.

★

IHT CIVIL ENGINEERNG, a sidiary of Wight Construction dings Group, has been rded contracts totalling over m by the South of Scotland ctricity Board for work at the poper station, Torness; and Lothian Regional Council for se 1A of the Meadowhill Sports Complex at Prestopans.

★

HENRY BALFOUR AND COMPANY has received orders for glassed steel processing equipment worth £1m. The main part of the order is a £500,000 contract placed by Beechams Pharmaceuticals for equipment for its new plant at rvine, Ayrshire. Chemical and Thermal Engineering has placed another contract worth about £200,000 for reactors and storage and stripper vessels, while the remaining two orders are for similar equipment valued at over £300,000.

★

AIR PRODUCTS has been awarded a five-year contract worth over £1m for the supply of gaseous and liquid helium to the United Kingdom Atomic Energy Authority.

★

Greater Manchester's second largest bus depot at Ardwick is to receive a new ventilation system. Worth more than £200,000, the new services are being installed by ANDREWS-WEATHERFOIL.

★

BORDER ENGINEERING CONTRACTORS, a member of the London and Northern group, has received a £139,591 contract for the construction of an apprentice training school for Metal Box Packaging.

★

CLELANDS SHIPBUILDING COMPANY, Wallsend-on-Tyne, has won a £3m order for six small lighters for the Royal Navy, all to be delivered by mid-1980.

★

A £500,000 contract has been won by the N. G. BAILEY ORGANISATION for the installation of electrical supplies at the new Caledonian Airmotive factory and jet engine testing facility adjacent to Prestwick Airport. The work involves the installation of electrical supplies and lighting for new buildings, including a jet engine test cell, a general work shop, associated offices and lighting for car parks and roads.

★

GEC HIGH VOLTAGE SWITCHGEAR has won a £600,000 contract for eleven direct-current switchboards for controlling the power supplies to the Caracas Metro in Venezuela. The contract was placed with GEC by C.G.E.E. Alsthom, the French company who are the main contractors for the substations as part of the overall contract for the new railway placed with the French joint company FRAMECA.

★

W. CANNING ENGINEERING has received an order to supply metal finishing plant to China. The new contract, placed directly with Canning by the Chinese state buying organisation, is worth £128,000 and covers two types of equipment: two "Harpar-iser" machines and two "Glydo" lines.

★

FERRANTI COMPUTER SYSTEMS has received from Waterlow (Dunstable) a £100,000 order for a Ferranti CS7-20 interactive computer composing system for installation at the Dunstable printing works.

★

The plastics division of ICI has awarded a contract to ALBANY ENGINEERED SYSTEMS EUROPE for the supply of multipl e fully automatic filtration ssytems at a value of £96,000.

Chlor-Chem in £1.6m expansion

Financial Times Reporter

CHLOR-CHEM, a company jointly owned by Fisons and FMC Corporation, is to spend £1.6m expanding its chlorinated isocyanurates plant at Widnes.

Chlorinated isocyanurates are used in the making of treatment chemicals for swimming pools, detergents, wool shrink-proofing processes and disinfectants. Chlor-Chem said that most of its additional production would be exported.

Severn Bridge road repairs

REPAIRS TO the road surface on the M4 Severn Bridge will begin on Monday, the Department of Transport said yesterday.

The work will be carried out on a 24-hour basis and should be completed before Easter.

In order to minimise interference with traffic, repairs will be confined to small areas of the road surface at any one time.

This will enable most of the bridge to remain open to two lanes of traffic in each direction.

The wrong photograph

YESTERDAY'S Financial Times carried in some editions a photograph of Lord Kearton, chairman of the British National Oil Corporation, captioned "Lord Stokes, no pay-only expenses." We apologise for the mistake.

PETER RIDDELL REPORTS ON THE BANK OF ENGLAND QUARTERLY BULLETIN

Firm fiscal stance urged to curb inflation

A FIRM fiscal and monetary stance, including cuts in public spending, is all the more necessary now to prevent inflationary pressures from turning into an indefinite extension of inflation, according to the latest quarterly bulletin from the Bank of England, published this morning.

This is the main conclusion of the assessment section, which starts by saying that "more than temporary harm" has been done as a result of recent industrial disputes.

"The financial position of companies, none *too strong in the first place, will inevitably* have been worsened—probably with consequences for their ability to finance investment. And the standing of this country as a supplier of goods to foreign markets must also have been further damaged. The most serious result may, however, prove to be the effect of inflation. For it has for a long time been clear that this—together with the UK's poor productivity performance—was the major problem facing the economy; and it was apparent that progress in other directions depended on continued progress in reducing the rate of inflation."

The bulletin says it is not yet possible to make any definite assessment of the average rate of wage settlements. But a somewhat faster pace of inflation is inevitable for a time. "Even if, as still seems likely, the acceleration remains moderate, the prospect of inflation now showing some increase represents a major setback," the bulletin says.

"The prospects for expansion, as a result, now look less favourable than earlier. For some time it has seemed probable that rate of growth next year would be no more than moderate."

The Bank says it seems likely that output will grow by no more than 2 per cent between the first halves of 1979 and 1980, compared with projections last December of a 3 per cent underlying rate of expansion.

"For faster inflation is likely, on balance, to weaken consumer demand though for a while higher wages may increase real purchasing power, this effect can only be relatively short-lived; and the savings ratio is likely to rise again, as it has in previous phases when prices have accelerated.

"Faster inflation is likely, too, to hamper exports and to make it more difficult to resist pressures from imports, and, by reducing profits, to discourage investment. In addition to these automatic effects, faster inflation forces policy to be more restrictive than it otherwise would have been."

The bulletin says that keeping the growth *of sterling M3 to the 8 to 12 per cent* target limits, in face of a faster growth of money incomes than previously seemed probable, "will exact a price in terms of higher interest rates than would otherwise have been necessary. It will clearly remain appropriate to provide for a continuing monetary expansion. But to accommodate inflation now by relaxing the thrust of monetary policy would be a signal that reduced priority was being given to containing inflation.

"The stance of fiscal policy is also now bound to be particularly cautious. One element—in fact very relevant, even if apparently outside the central field—would be to ensure that higher costs incurred by the public corporations are not reflected in higher borrowing, so that their financial situation is not impaired.

"The operation of cash limits in general, as redefined in last month's announcement by the Government, should result in some trimming of expenditure programmes, depending on how fast pay and prices rise.

"Given the need both to contain the size of the public sector borrowing requirement and to reduce the necessity for adding to the tax burden, there appears to be a clear case for containing more strictly the rise in public spending."

After stressing the need for a firm stance of fiscal and monetary policy in present conditions, the bulletin says: "It seems equally clear, however, that monetary control alone will be insufficient to prevent a powerful surge of wage inflation from working itself out in higher prices.

"The recent course of wage negotiations and the industrial action that accompanied them point clearly to the need for changes in the present methods of wage negotiation. It would be widely agreed on all sides to be desirable that the next wage round should be less disruptive than this year's."

The bulletin gives a warning about the need to improve productivity.

"The consequences of failing to arrest this country's industrial decline are likely to become even more pressing and obvious as time goes on. Now condemned to very slow growth, we might later even have to accept, if present trends continue, declines in real living standards. To break out of this situation seems bound to become a dominant concern over the next five years.

"Sustained increases in living standards can only come from higher productivity. The need, then, is not simply to arrest inflation, necessary though that is, but radically to improve both efficiency and thus also real wages."

Output growth for year 'could be less than 2%'

TOTAL OUTPUT in the UK now seems likely to grow by no more than 2 per cent over the next 12 months—or by little more than 1 per cent if North Sea production is excluded.

This is suggested by the Bank in the economic commentary section of the bulletin, which contains a fairly gloomy assessment of the short and medium-term prospects for the UK in view of the likely acceleration in the inflation rate.

The bulletin notes that at this stage "it is hardly possible to gauge the eventual outcome of the pay round. There have been more encouraging signs recently, but earlier hopes that settlements this year would not be far from last year's increase in retail prices (8 per cent) seem unlikely to realised."

After highlighting the likely continuation of a rising trend of world commodity prices, and the recent marked increases in seasonal food prices, the Bank points to a sharp acceleration in the rate of increase in retail prices measured over three months, even before the normal seasonal jump in April, suggesting that the year-on-year increase (over 9 per cent in January) *may reach 10 per cent* by the summer.

"The rapid growth of real incomes tailed off in the latter part of last year, but has probably resumed quite strongly in early 1979.

"Real earnings will receive a boost in the first half of this year from the implementation of delayed pay settlements but there is likely to be some slowing down in the second half, as prices come to reflect present increases in unit labour costs and perhaps also some acceleration in import prices.

"Furthermore, reductions in the real burden of direct taxation—an important factor in the *growth of real incomes* in the last two years—are less likely this year. Nevertheless, for 1979 as a whole, real personal disposable incomes may be some 4 to 5 per cent higher than in 1978.

"With renewed growth in real incomes, consumer spending—flat towards the end of 1978—is likely to pick up again, at least temporarily, but will probably not rise as fast as in 1978. Spending on durable goods in particular is not expected to rise by nearly as much this year as last, partly at least because of the increased cost of credit.

"There seems little prospect that consumption will be boosted by a reduction in saving this year. The savings ratio in 1978 was *on average 14 per cent* (although it probably rose to around 15 per cent in the fourth quarter) and is expected to be little changed on average during 1979."

The bulletin notes that in 1978 as whole, manufacturing production was only about ½ per cent higher than in 1977, no doubt partly because of some weakening in competitiveness.

Bank of England Quarterly Bulletin, Volume 19, number 1, March 1979, from Economic Intelligence Department, Bank of England, London EC2R 8AH.

This has reinforced the tendency for much of any increase in demand for manufactured goods to be met from imports. The market contraction (in real terms) of the net trade surplus in finished manufactured goods in recent quarters is expected to continue, offsetting any potential boost to production from domestic demand."

"Total employment continued to grow slowly last year, by 25,000 between June and September and by 84,000 since September 1977. Female employment increased by 106,000 over the year while male employment continued to fall."

This partly reflects the changing industrial composition of the workforce—for instance in the year to last September, the financial, professional, scientific and other service industries increased employment by 1½ per cent, while in the manufacturing sector, which is of a similar size, employment fell by more than ½ per cent.

OUTPUT AND PRODUCTIVITY GROWTH IN MANUFACTURING INDUSTRY

Per cent per annum	Output 1960-73	Output 1973-78	Productivity* 1960-73	Productivity* 1973-78
United Kingdom	3.0	−0.9	3.6	0.6
United States	4.9	2.5	3.4	2.2
Canada	5.9	2.8	4.0	3.2
Japan	12.0	0.8	8.8	3.7
Western Germany	5.3	0.8	5.8	3.3
France	5.9	1.4	5.6	2.7
Italy	6.1	2.2	5.2	1.4

* Defined as output per man not output per man hour.

The sharp increase in unemployment over the last couple of months probably owes more to severe weather conditions and the effects of industrial disputes than to any sudden reversal of the underlying downward trend of last year. Nevertheless, with no appreciable growth in output since last summer, it is quite likely that unemployment will begin to rise later this year.

The bulletin also discusses the UK's poor productivity performance and the deterioration in the last few years, setting out various possible explanations.

"Over 1978 as a whole, the real pre-tax rate of return for non-North Sea companies was probably about 4 per cent, much the same as in 1977, and still very low by comparison with rates of return up to 1973."

Company liquidity declined quite sharply in the third quarter of last year. "In the early part of this year, companies have faced additional cost inflation, and their output has in some cases been restricted by strikes and bad weather which can only have had a damaging effect on profits.

Some companies, particularly in the retail sector, may have experienced a temporary boost to liquidity as their stocks were run down, but this improvement will be reversed as stocks are rebuilt."

The bulletin also notes that the extent of stockbuilding during 1978 (probably around £1½bn at 1975 prices) was largely unexpected and, even in retrospect, is difficult to explain. About one third of it *occurred in the stocks of other* industries including construction.

"Of the remaining increase, the rise in work in progress in manufacturing industry can be associated with the higher level of output; but the net increase over the year in stocks of finished goods held by manufacturers is more puzzling."

Despite the cut in the fourth quarter, the ratio of stock to sales of finished goods remains historically high, though survey evidence suggests that managements do not regard the present level of stocks as excessive.

The apparent change in the relationship between desired stocks and the level of activity may reflect only partial adjustment by companies to the recession of the last few years. Another factor has probably been the introduction of stock tax relief which at present gives free depreciation on increases in the physical level of stocks as well as avoiding the taxation of stock appreciation, the main aim of the relief.

"On both counts, stock relief has probably given firms an incentive to hold higher stocks, which may have been further enhanced by the proposals to write off past relief *after six years. Finally, some of* the increase in stocks during 1978 probably arose from expectations of continuing buoyancy in demand."

"However, a reduction in stockbuilding—or even some destocking—now seems the likely response to future growth of demand. The recent rise in interest rates has substantially increased the cost of holding stocks and imposed a further burden on companies' cash flow at a time when profitability may already be weakening.

"Even so, it may be some time before a clear indication of any downward adjustment of stocks emerges. The industrial *disruption of early 1979 probably* distorted the normal pattern of stock holdings, and the after-effects may persist for some time."

On the overseas side, the bulletin suggests that in spite of the expected slowdown in the U.S., faster growth of imports in Europe would be of particular benefit to the UK, and our export markets this year may grow as fast as world trade, and as fast or faster than last year.

However, "manufactured export performance was not very encouraging in 1978. The volume of manufactured exports (excluding erratic items) rose by 2½ per cent, while the estimated growth in the UK weighted-volume of world trade in manufactured goods was about 7 per cent." Sales of machinery and transport equipment were unchanged in volume terms.

"Weakening competitiveness in 1978 has probably not yet had any significant adverse effect on exports; there appears *to be a long lag between* changes in competitiveness and the response of export volume, and this suggests that some weight must still be given to the gains in competitiveness during 1976."

The bulletin also highlights the sharp growth in imports of industrial materials in 1978. "Though the increase in imports of manufactured goods was large, it was much in line with expectations and may be regarded as the counterpart of the sluggish recovery in manufacturing production.

"Had competitiveness been maintained, 1979 might have seen a more robust domestic *supply response following last* year's rapid increase in domestic demand. But competitiveness deteriorated in both cost and price terms during 1978—which helped to boost the growth of imports—and may deteriorate further this year."

Strong rise seen in oil exports revenue

THE TOTAL estimated oil revenues of the oil-exporting countries rose strongly in the final three months of 1978—up $2.7bn to $32.8bn compared with the previous quarter.

This is indicated in a section of the bulletin discussing oil money movements. Oil revenues rose in the fourth quarter because of higher demand for oil, reflecting both higher consumption *during the summer* and stockpiling in anticipation of price rises at the end of the year. Revenues in the first three months of 1979 will have been affected by the disruption to oil production in Iran.

The identified deployment of the oil-exporting countries' funds in the July-to-September quarter suggests that they had a small overall surplus of $1.9bn following a net surplus of $3.5bn in the first half of last year and of $33.5bn in 1977 as a whole.

Investment in the U.S. was run down by $1.4bn following a $1.2bn decline in the previous three months and a $1.5bn rise in the first quarter of 1978. But the decline in the U.S. in the third quarter was more than offset by loans to developing countries.

Preliminary data indicates a *larger surplus in the final three* months of 1978, with significant inflows into U.S. bank deposits and continued investment in other countries (all except the U.S. and the UK).

From the figures for the first nine months of 1978 it is clear that the oil exporters' surplus for the year as a whole will prove to have been much lower than was generally expected, probably amounting to no more than $10bn.

ESTIMATED DEPLOYMENT OF OIL EXPORTERS' SURPLUSES*

$bn	1976 Year	1977 Year	1978 1st qtr.	1978 2nd qtr.	1978 3rd qtr.
United Kingdom					
British government stocks	0.2	—	—	−0.2	−0.1
Treasury bills	−1.2	−0.2	—	0.2	0.1
Sterling deposits	−1.4	0.3	0.2	−0.4	0.1
Other sterling investments†	0.5	0.4	—	0.1	—
British government foreign currency bonds	—	0.2	—	—	—
Foreign currency deposits	5.6	3.4	−0.3	−1.6	0.5
Other foreign currency borrowing	0.8	—	—	—	—
	4.5	4.1	−0.1	−1.9	0.6
United States					
Treasury bonds and notes	4.2	4.3	−0.1	−0.7	−0.2
Treasury bills	−1.0	−0.8	0.3	−1.1	−0.5
Bank deposits	1.6	0.4	0.5	−0.7	−1.3
Other†	7.2	5.3	0.8	1.3	0.6
	12.0	9.2	1.5	−1.2	−1.4
Other countries					
Bank deposits	6.5	7.5	1.5	—	−0.3
Special bilateral facilities and other investments†‡	12.2	12.4	1.5	2.2	2.8
	18.7	19.9	3.0	2.2	2.7
International organisations	2.0	0.3	—	—	—
Total	37.2	33.5	4.4	−0.9	1.9

* This table excludes liabilities arising from net borrowing and inward direct investment and also, on the assets side, changes in credit given for oil exports.
† Includes holdings of equities and property.
‡ Includes loans to less developed countries.

Ready money still likely for developments in North Sea

ADEQUATE finance for new North Sea oil developments should be readily available from both domestic and external sources according to a special article in the bulletin.

The article—by a member of the Bank's Economic Intelligence Department—examines the financing of capital investment in oil exploration and development over the period of 1975-80. Regularly monitoring of the subject has been undertaken by the Bank of England in conjunction with the Treasury and the Department of Energy.

"Whereas the capital investment programme in the gas *fields* in the southern part of the North Sea is now more or less complete, the investment required to develop the oil and associated gas from the more northern fields continues to be very heavy. Cumulatively, it is expected to have quadrupled in volume terms over the five years from 1975 to 1980." This implies a rise from £3.7bn in 1975 to £13.9bn in 1980, both estimates at 1977 prices.

The outstanding financing requirement doubled in real terms to £6.6bn between 1975 and 1978 but it has now levelled out at roughly £7bn. Indeed by 1980, it is likely that the outstanding financing requirement will represent only about half the cumulative capital investment by the industry up to and including that year. By then, the rate of debt repayment from fields in production is likely to begin to outweigh the additional demand for capital from new and existing *fields. After 1980,* the outstanding financing requirement should therefore begin a period of decline in real terms.

IDENTIFIED SOURCES OF OUTSTANDING NORTH SEA FINANCE

£bn at 1977 prices	Loans from UK banks: In sterling	Loans from UK banks: In Euro-currency	Equity issues in the United Kingdom	Other company resources*	Total outstanding financing requirement
1975	0.2	0.5	—	2.6	3.3
1976	0.5	0.8	0.1	3.8	5.2
1977	0.6	1.0	0.1	3.7	5.4
1978	0.7	0.9	0.1	4.9	6.6

* Mainly borrowing other than from UK banks and cash flow generated from North Sea oil and gas revenue or from other operations elsewhere.

Source: Bank of England

Some two-thirds of the capital investment on the Continental *Shelf* is currently being undertaken by non-UK companies which have tended to finance their operations in foreign currency rather than in sterling. The character of the Euro-currency markets in London, and the use of the dollar for almost all international oil trading, has also eased the syndication of the main North Sea borrowing as Euro-dollar loans. The UK companies, which account for much of the North Sea lending in sterling, have also borrowed heavily in the same way.

The article points out that in mid-August last year lending on North Sea activities accounted for 4 per cent of all advances by banks in the UK. But this *sector accounted for 11 per cent* of U.S. banks' advances and 9 per cent of that of other overseas banks.

It is pointed out that while the cash flow from fields already in production will itself provide an important new source of finance for further exploration and development some questions and uncertainties remain.

"Further increases in costs and lead times would imply lower cover for bank lending and lower returns on companies' investment; such increases might be offset or enhanced according to fluctuations in oil price expectations and the record of discovery, appraisal and development.

"*Nevertheless,* to the extent that new, viable projects continue to come up for development, it is very likely that adequate finance from external and domestic sources will be readily forthcoming."

Euromarket is 'integrated' with domestic bank systems

THE EURO-CURRENCY market is not independent *of domestic* banking systems and, if capital flows are unrestricted, interest rates in the two markets are extremely closely related.

A special article by a member *of the Bank's Overseas Department* in the bulletin discusses the determination of euro-currency interest rates. This concludes that "in such circumstances the euro-curreny market appears very much as an integrated part of domestic banking systems, with even small changes in liquidity in one market generating compensating flows from the other.

"Furthermore, it is not the case that flows channelled through the Euro-market automatically escape the imposition of domestic reserve requirements. A sizeable proportion of Euro-currency deposits are supplied by banks from their domestic currency deposits—as a rough and rather conservative estimate these may represent 20 per cent of the market's net source of funds.

"And at least some proportion of foreign currency deposits are lent by Euro-banks to banks in the country of issue of the currency or converted by Euro-banks ... into the domestic *currency of the country where* they operate."

FASTER FLOW

"In either of these cases the flows which pass through the Euro-markets will attract domestic reserve requirements. Indeed funds which are channelled through the Euro-currency market will only avoid domestic requirements when Euro-banks intermediate directly between non-banks, and even then Euro-banks will hold prudential reserves against the non-bank deposits.

"One possible impact that the market may have — though one that is not readily measurable —is, like any efficient financial intermediary, to increase the velocity of circulation of money. However, if the Euro-markets do have some impact on the velocity of circulation, it is not *immediately clear that this is* independent of domestic monetary policies. Changes in domestic interest rates and reserve requirements will directly influence the level of Euro-currency interest rates and hence the amount of credit extended by Euro-currency and domestic banking systems combined."

هكذا من الأصل

CAP reform wins support

BY IVOR OWEN

SPITE the lack of public port at the Paris EEC ımit, Britain is not isolated pressing for radical reform the Common Agricultural icy, starting with a freeze on ımon prices, the Prime ıister told the Commons terday.

Ie revealed that, in private versation in Paris, "a ıber" of other heads of ernment had expressed eement with the general ıd of Britain's case that it ıld be wrong to devote more ources from the Community get to agricultural products ady in surplus.

Ir. Callaghan, who was enthutically cheered from the our benches for his deterıed stand in defence of ish interests, described the port he had received in is as "significant and eful."

Ie stressed: "So far from us ıg in isolation, there was e agreement with our lysis of the situation and need to re-order priorities ı I have ever known."

he reaction from Mrs. tcher, the Tory leader, ned to reinforce Labour kbenchers' belief that the me Minister's insistence that port for agricultural efficiy in other EEC countries t end will prove a valuable tion asset.

She declared: "It would be more to Britain's advantage if you and your colleagues dropped the abrasive and critical attitude towards our Common Market partners and behaved genuinely as partners, in which case we might get mose of the problems solved."

Mrs. Thatcher emphasised that the conclusion reached by most commentators was that it had been a "disapuointing" summit, and she felt this had been reflected in the official communique and in the Prime Minister's statement to the House.

Amid Labour cheers, Mr. Callaghan retorted: "It was not disappointing for Britain. For the first time, the arguments that we were advancing seem to have gone home."

British ministers, he added, did not need to adopt an abrasive attitude because the logic of their case was so compelling.

Responding to Mrs. Thatcher's challenge to explain why the problems associated with Britain's contribution to the Community budget had not been overcome by the Government's "renegotition" of the terms of entry in 1975, Mr. Callaghan said that assurances had been given at that time that agricultural surpluses would not be allowed to build up.

But they had built up and it was only now that the Community seemed ready to face the fact that when it reached the ceiling on its resources it would "no longer be able to pursue this rake's progress."

Mr. Enoch Powell (UU Down South) asked: "Can common prices be increased if the UK does not agree?"

The Prime Minister replied that proposals on prices were made by the EEC Commission under Article 43 of the treaty. The Council of Ministers decided on such proposals by qualified majority.

But under Article 149 the Council of Ministers could modify the Commission's proposals only by unanimous vote.

"Thus, provided the Commission does not change its proposals for a price freze, it would require all nine member states, including the UK, to force an increase in prices."

Mr. Callaghan reaffirmed that Britain's attitude had been made clear at the summit, and by the passage in the communique which acknowledged that the existence of market imbalance in agriculture required "a prices policy appropriate to this situation."

Backed by a roar of approval from the Labour benches, Mr. Callaghan said that he made it clear that for the UK, this wording meant "that we should not agree to increases in common prices for products in surplus at forthcoming meetings of agricultural ministers."

If the Commission were to change its proposals, the UK would continue to oppose any increase and discusions would continue until an agreement that was satisfactory to all member states could be found.

A leading anti-marketeer on the Government backbenches, Mr. Tom Torney (Lab., Bradford S.) pressed for an asurance that, if necessary, Britain would use her veto to stop any increase in common prices.

Mr. Callaghan preferred to avoid using this "ugly word" and hoped that the new spirit of conciliation and understanding which he had found in Paris would enable the agricultural ministers to "talk through these things and reach an agreement."

Labour's hopes of securing an electoral bonus from the Government's resolute handling of Britain's financial contribution to the Community soared when Mr. Ivor Stanbrook (C., Orpington) accused the Prime Minister of indulging in a bit of "ritual dancing" when he well knew that there was no hope of reforming the Common Agricultural Policy.

With a gleeful smile, Mr. Callaghan countered. "If that defeatism is typical of the whole of the Conservative Party, heaven save the British people from them."

EEC 'the despair of its friends'

By Elinor Goodman, Lobby Staff

A DISCORDANT note in the general strongly pro-Common Market line adopted by the Shadow Cabinet was struck yesterday by Mr. John Nott, the Opposition trade spokesman.

The EEC, he said, was fast becoming the despair of its friends, with its obsession with trivalities and needless bureaucracy.

"Tax more, redistribute more," was the order of the day, rather than "Tax less and spend less."

What was needed, he said, taking up a point more often made by Labour politicians than Conservatives, was a reduction in Britain's contribution to the Community budget, and a complete overhaul of the argicultural policy.

Mr. Nott was in favour of Britain joining the Common Market but has always been rather less enthusiastic about it than some of his colleagues. He was opposed to Britain joining EMS.

His speech yesterday seemed designed to correct the impression that Conservatives are completely uncritical of the Community.

Some shadow ministers fear that Labour will win votes by adopting the abrasive attitude to the EEC which the Prime Minister has stressed so much in the last few days.

Mr. Nott repeated his commitment to the free trade principles of the Treaty of Rome, and said that it was unthinkable that Britain should operate outside the main stream of European action.

But he warned that the EEC was trying the patience of even its most enthusiastic supporters.

"Each meeting of the Council of Ministers and too many acts of the Commission take us ever further from the basic principles which guided the authors of the Treaty of Rome," he said.

Britain's contribution to the Community budget was self-evidently far too large. To oppose this situation was not, he stressed, anti-European.

It was necessary to protest not at the amounts involved but at the "inherently socialist manner" in which the monies were dispersed.

The attempt to increase the budgetary allocations to the social and regional funds had become an exchequer device to reduce the budgetary cost to Britain.

Mr. Nott told the Manufacturing Stationers' Association that the "current absurdity" of the agricultural policy lay at the heart of the problem.

It was hard to think of anything more contradictory to the original principles behind the Community than the Monetary Compensatory Amounts.

Mr. Nott concluded that there was still an essential need for a strong and united Europe.

He forecast that a Conservative Government would fight to ensure that the liberal policies of the Rome Treaty replaced what he described as "the creeping dirigism electoral cynicism and wholly unwarranted destruction of British national interests which is being attempted."

Benn seeks nationalised energy

BY OUR LOBBY STAFF

ANTHONY WEDGWOOD NN is trying to insert a comnent to further wide-rangnationalisation in energy the party's manifesto for next election.

a document that he subed in his capacity as Energy etary to a meeting this k to discuss the contents of manifesto, he recommended the power plant manufacıg industry should be onalised and the National lear Corporation taken comely into public ownership. e also asked for a committ from the party to enable Gas Corporation to gain conof certain gas fields in the th Sea and repeated the idea e National Executive's draft ifesto that British Petro and the British National Corporation should be fully onalised.

e proposals were originally uced by a sub-committee of executive's home policy mittee, which Mr. Benn rs. They have not been approved by the full home policy committee or the executive. No figure has been put on cost.

Nevertheless, Mr. Benn tried to get support for them at this week's meeting of executive members and Cabinet Ministers to discuss the manifesto. He was opposed by other Ministers, including Mrs. Shirley Williams and the Chancellor.

Manifesto

The chances of its being adopted as official party policy while Mr. Callaghan is Prime Minister seem very slim.

The executive has produced its draft manifesto, which most Ministers assume will be watered down before the full executive and the Cabinet define a manifesto for the election.

Mr. Benn's paper endorses the nationalisation proposals in the executive's manifesto.

It points out that most agencies in the nuclear field are state-owned but that the National Nuclear Corporation still has a majority of private shareholders. Since the Government will be expected to fund research and development for nuclear power, and the nationalised generating boards must bear the commercial risks on power stations built for them, the document argues that it is logical and fair that the corporation's shares should be held by or on behalf of the Government.

In that way the Government would be in a position to influence thet company's activities in line with Government uolicy.

The paper, to be discussed again at next week's manifesto meeting, says that a Labour Government should not shrink from the overdue nationalisation of the power plant manufacturing industry. It should be nationalised as a single unit.

The whole paper is based on the belief that the energy sector will benefit from greater Government planning. That, it says, should be done as openly as possible by an Energy Commission composed of Ministers, management and trade union representatives, and representatives of consumer bodies.

An annual energy budget along the lines of the Chancellor's economic Budget would be presented to Parliament by the Energy Secretary and debated in the same way as a Budget.

Fuel prices would then be determined in an annual review that would also deal with financing and supply plans for all nationalised fuel industries.

In a passage that apparently advocates a free market approach to energy, the document says, that the idea would be to see that industry's needs for energy were fulfilled at a price that reflected full resource costs and took into account the longer-term availability of various fuels.

ourt report rovisions ıodified

PRIVATE Member's Bill gned to restrict Press res of court committal prollings was crucially modified committee yesterday.

Ps agreed by seven votes ive to allow reporting rections to be lifted if a single endant in court on his own, all defendants in a case, ıanded it. At present rictions are removed if only in a group of defendants lies.

he Criminal Justice Act ıendment) Bill was introed by Mr. Nicholas Fairn (Con., Kinross and W. thshire) against the backınd of the Jeremy Thorpe eedings.

he Bill's original proposal that reporting of a comtal would be permitted only he accused was discharged when his trial was over.

Tories aim to stop NEB 'marauding'

A TORY Government would remove the National Enterprise Board's powers "to go marauding over the private sector" Mr. Norman Lamont, industry spokesman, promised in the Commons yesterday.

The Conservatives would get the NEB to sell off "as much of its portfolio as possible."

Mr. Lamont was speaking during the report stage of the Industry Bill, which would raise the financial limits of the NEB, the Scottish Development Agency, and the Welsh Development Agency.

Moving a Tory amendment to cut the planned £3,000m limit of the NEB to £2,700m, Mr. Lamont said "What a Conservative Government would do is first remove the power of the NEB to go marauding over the private sector, and immediately get it to sell off as much of its portfolio as possible.

He also said the NEB would be compelled to release its holding in International Computers, and questioned the reasons for keeping its shares in Ferranti.

"We think that the money that is available in this Bill is far, far too big, and that is why we are opposed to it, and why we are pressing this particular amendment," he said.

The NEB's commitments and total expenditure amounted to £2.6-£2.7bn, he continued. Much of its activity was "unnecessary."

Mr. Lamont said Tories strongly rejected the argument that there was a gap in the capital market which only the NEB could fulfill.

"If anything, there has been too much money. The problem isn't a lack of money. The problem is a lack of opportunities, a lack of high returns to be earned in British industry.

Housing corporation cleared

THE Housing Corporation, which provides loans for almost 3,000 of the country's housing associations, was cleared in the Lords yesterday of any mishandling of its accounts.

The Earl of Kinoull (C) told peers that substantial errors were discovered in last year's accounts. "Is the Government satisfied with the accountability of the Housing Corporation and is it sure there was no impropriety on behalf of the staff?"

For the Government, Baroness David said there was nothing wrong with the accounts. They were simply withdrawn by the chairman to satisfy himself that a technical eror had not been made by the computer.

There was no suggestion of impropriety and they stood at exactly the same figures as they did before they were withdrawn.

Seating changes arouse general suspicion

Elinor Goodman explains why the move to give greater representation to Northern Ireland could rebound on the Labour Party

RRING a last-minute upset, of the few pieces of islation to excite genuine sions in Westminster this sion will complete its pase through Parliament today a matter of minutes.

he innocently named House Commons (Redistribution of ts) Bill variously described a "logical extension of nocracy" and the product of "illicit, sordid, little relaıship" between the Governnt and the Ulster Unionists s due for its third reading in Lords.

Since Liberal peers were successful in their attempts amend it at the committee ge, the odds are that the third ading will not be much more ın a formality.

This means that the Bill, ıich will eventually increase e number of Northern Ireland Ps in Westminster from 12 to tween 16 and 18, should get e Royal Assent by Easter.

The ten assorted Ulster ıionist MPs now sitting in estminster will then no longer ve the same vested interest keeping the present Governent in power.

Labour's insecurity will thus increased just when the her Opposition parties are reatening to unite in a vote no confidence.

The passage of the Bill reprents a victory for the Ulster nionists who have long argued at Northern Ireland is underpresented at Westminster.

For Gerry Fitt's Social Demoatic Labour Party, and about dozen Labour backbenchers, it represents a constitutional outrage.

The Bill, which prompted one Labour whip, Mr. Jock Stallard, to resign and a former chief whip, Mr. Bob Mellish, to vote against the Government, is seen by this group as a far too high a price to pay for the dubious support of the Unionists.

Jerry Fitt has been so enraged by the Bill that he has threatened to desert the Government in its moment of greatest need.

To him, the Bill is another attempt to cement the links between Northern Ireland and the mainland and to entrench the Ulster Unionists who, even without the extra seats, could well be the third largest party in the next Parliament.

To the Liberals, it represents another wasted opportunity to introduce a form of proportional representation—in this instance, in a part of the country where they believe circumstances make the present form of voting even more than usually unfair.

During the debate in the House, allegations of pacts and dirty deals were rife. But both the Unionists, who themselves feel varying degrees of enthusiasm for the legislation, and the Government denied that any such deal had been struck.

Though on other occasions Ministers have denied the need to increase the number of Northern Ireland seats, during the debate, *Mr. Roy Mason*, the Northern Ireland Secretary, insisted that it was only natural justice that representation for Northern Ireland should be increased.

At present, the average Northern Ireland MP represents an average of 86,000 electors as against only 60,000 in England and rather fewer in both Scotland and Wales.

The official argument is that the present level of representation was established in 1920 when it was accepted that the existence of a devolved form of Government at Stormont meant that the voters of Ulster did not need as many MPs at Westminster as those in area without their own Assemblies.

Since then, of course, Stormont has been closed down, while the House has, by its votes on the Government's original proposals for devolution in Scotland and Wales, shown that it does not regard the existence of a devolved assembly as a justification for reducing representation at Westminster.

Nevertheless, the suspicion remains that the Government has acted only to pacify the Unionists and so save its own bacon.

What made people particularly suspicious was the timing of the Prime Minister's original announcement in March, 1976, that he intended setting up a Speaker's Conference to look at the whole question of representation in Northern Ireland—just when he was most anxious to come to some agreement with the minority parties to keep him in office.

Though Mr. Callaghan made it clear at the time that the offer of a Speaker's Conference was not contingent on the Unionists' support, it provided the Ulster delegation with a reason for not wanting an early election.

Since then, just enough of the Ulster Unionists have tended to abstain on crucial issues to ensure that the Government has not been defeated.

The Speaker's Conference, which in Mr. Fitt's opinion did not reflect the views of the full House, duly recommended that the number of MPs should be increased and last February the Government announced that it accepted the recommendations.

After what some Unionists regarded as an unseemly delay, the Bill was then introduced last November and supported by the Tories.

All attempts to amend it have failed, so Northern Ireland will get its extra MPs in about two years.

The key question of exactly how many new MPs there will be, and where the constituency boundaries will be drawn, remains for the Boundary Commission to decide.

The Catholics fear that the extra seats will inevitably go to the Ulster Unionists, increasing their bargaining power at Westminster.

The Northern Ireland Office insists that this will not necessarily be the case and that, on any realistic assumption of where the new boundaries will be drawn, the SDLP should increase its representation.

Assuming the Bill gets its third reading today, at least some of those MPs now sent to Westminster on some kind of Unionist ticket may have second thoughts about even tacitly supporting the Government.

Mr. **Enoch Powel**, the member for Down South, may feel sufficiently antagonistic towardss Mrs. Thatcher not to want to do anything to help her become Prime Minister but other Ulster Unionists, would normally feel more comfortable voting with the Conservatives than against them.

The Ulster Unionists—even the seven official ones—have never consistently voted as a convenient block, as both the Government and Tory whips know to their cost.

Their response to any vote of no confidence now presumably depends on whether they think they could exert more influence in a new Parliament with a large Tory majority in a more finely balanced Parliament.

RAF computer staff likely to join strike

BY PHILIP BASSETT AND PAULINE CLARK

COMPUTER OPERATORS at the RAF's main supply base in Stafford were expected to strike from midnight last night as part of the wave of selective strikes due to be announced today by Britain's two largest civil service unions.

At the same time, public service union leaders who have accepted a 9 per cent pay offer to 250,000 hospital ancillary workers yesterday increased pressure on the National Union of Public Employees to call off its lone campaign of industrial action.

At resumed informal talks at the TUC, the union was warned that it could be outvoted by a majority on the negotiating committee for the group if it continued to reject the offer. But the meeting broke up without agreement.

The union, with 150,000 members in the group, represents the biggest number of hospital ancillary union members and has this week stepped up industrial action in defiance of the other union leaders.

This followed the Government's refusal to improve the offer in spite of continuing informal representations to Ministers by the union.

Further extensions of the strike campaign by the Civil and Public Services' Association and the Society of Civil and Public Servants to be announced today are likely to include action by staff at the Export Credits Guarantee Department.

Leaders of all nine Civil Service unions met Department officials for further talks on a pay settlement for 600,000 civil servants based on a comparability study. The outstanding issue is a timetable for staging the increase and details of the amounts based on the study's findings.

The unions were keen, too, to try to clarify a Commons statement by Mr. Bruce Millan, Scottish Secretary, who, when announcing emergency measures to ease the effects of strike action in Scottish courts, said a settlement could be backdated.

Department officials were embarrassed by what seemed to be a premature disclosure, since normally if a settlement is not reached by April 1 it is not backdated.

The Department pointed out that Mr. Millan, though confirming his statement, had modified it by insisting backdating would be subject to negotiation.

Scottish court officials, whose action as part of the campaign has virtually halted all court operations in Scotland and led to charges being dropped, met yesterday to discuss the Government's emergency legislation, which would bring in outside staff to do their work.

Court officials doubted that even solicitors would have the specialised knowledge to take over their work, and a union spokesman warned that if outside staff were brought in, the courts strike could spread to England.

Both unions yesterday wrote to Mr. Edward Du Cann, chairman of the Public Accounts Committee, and Sir Douglas Henley, Comptroller and Auditor General, saying the Ministry of Defence contingency plans to pay contractors whose payments have been held up by a strike by Liverpool computer operators flouted the requirements of Government accountability of expenditure to Parliament.

Result of Teversal pithead ballot today

BY OUR LABOUR EDITOR

NOTTINGHAMSHIRE miners' leaders were doubtful yesterday that their fight against the planned closure of Teversal colliery would be backed by the area's 23,000 miners.

The result of a pithead ballot on industrial action being conducted yesterday will be declared by the Electoral Reform Society today. Only if the area ballot is in favour of action will the national executive of the National Union of Mineworkers hold a countrywide ballot.

Mr. Joe Whelan, Notts area secretary of the NUM, said yesterday he hoped the pits would back the fight. But the miners he had talked to seemed little inclined to stand out against the closure because of the union's failure to make a fight in the past. "If we lose it will not be because of the strength of the Coal Board, but because of the weakness of the union," he said.

Our Welsh Correspondent writes: A South Wales mineworkers' delegate conference voted in favour of accepting the National Coal Board's latest wage offer yesterday.

But, in line with the union's local executive recommendations, the meeting demanded that the £72.5m wage package be shared out on a flat rate basis—£6.46 per miner—and be subject to confirmation by a national ballot of the union membership.

The decisions of the meeting, which represented the 30,000 South Wales miners, were by no means unanimous. A number of delegates urged rejection of the offer and the pursuit of further negotiations with the Coal Board.

The conference also confirmed South Wales NUM's total opposition to pit closures, to be pursued, if necessary, by strike action.

Local miners' leaders insist that up to 10 South Wales pits are threatened with closure under the NCB's strategy for restoring the coalfield to profitability.

Picket sues over jail treatment

By Our Labour Editor

MR. DES WARREN, one of the "Shrewsbury Two" building pickets sent to jail in late 1973, is to sue the Home Office over the treatment he received in prison.

Mr. Warren is claiming damages for personal injuries which he alleges he sustained during his confinement in up to 12 prisons between December 1973 and August, 1976.

He alleges "harsh, cruel and unreasonable punishment" and negligence or breach of duty by the Home Office, prison officers or medical staff.

His claim may include evidence that he was administered drugs.

Mr. Warren was convicted of conspiracy to intimidate workers, of unlawful assembly and of making an affray, following a 300-strong flying picket of Shropshire sites during the 1972 national building strike. He was sentenced to three years' jail, Mr. Eric Tomlinson to two years and another man to nine months.

The length of the sentences given to Mr. Warren and Mr. Tomlinson provoked a political outcry; the two men were regarded as martyrs by the Left. The TUC would not be drawn actively into the campaign for their release, but protested at the use of conspiracy changes (which can carry long sentences) in industrial disputes.

For some time during his imprisonment, Mr. Warren refused to co-operate with prison routine in protest at his sentence.

Ravenscraig steelmaking halted by dispute

BY OUR LABOUR EDITOR

STEELMAKING at Ravenscraig, which feeds most of the British Steel Corporation's Scottish mills, has stopped because of a dispute about productivity payments.

The corporation said 243 members of the Iron and Steel Trades Confederation walked out of the basic oxygen steelmaking plant and the continuous casting plant claiming that the developments at the plant meant new work.

They were told by union officials yesterday to go back and put the dispute about the work-measured incentive scheme through procedure.

Ravenscraig, whose steelmaking has been increased from 1.5m to 3.2m tonnes a year, supplies mills at Glengarnock, Dalzell, Lanarkshire and Clydebridge.

Pay Review Board call

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A CALL for a Pay Review Board to help make collective bargaining "responsible and free" has been made by Birmingham Chamber of Commerce.

Sir Robert Booth, the chamber's president, says in a letter to the Prime Minister: "A concerted change in the attitudes of all those involved in pay negotiations is needed."

The chamber recommends a forum with one representative from Government, employers, and the TUC, which would select "a non-aligned" chairman and vice-chairman.

The chamber argues that in the longer term such a body's influence on attitudes and expectations would help contain wage inflation by acting as a moderating influence.

"In the short term, however, we should accept that the Government may seek to ensure a measure of residual, but indirect, influence on wages and prices through fiscal and monetary control."

Talks fail to resolve Grundig row

HOPES OF resolving the dispute that has shut the Belfast factory of the Grundig electronics group receded yesterday.

Two days of talks under the auspices of the Northern Ireland Labour Relations Agency have failed to end a disagreement over differentials involving 60 members of the electricians' union.

Amid fears about Grundig's long-term future in Ulster, the Belfast plant's managing director flew to Germany for discussions about the dispute

Tube staff's excess fares protest

THE NATIONAL Union of Railwaymen's executive is asking members not to collect excess fares on the London Underground on one day to be set by their negotiating committee. The executive says this action will make clear that ticket collectors are necessary.

The action springs from the leaking by a Greater London Council member of a London Transport report alleging that, of £5.5m collected from passengers at station barriers, only £3m was handed in.

Mr. Charlie Turnock, NUR assistant general secretary, said that a letter had been sent to the GLC protesting at "the leaking of the factually incorrect and slanderous document."

BBC strikers back at work

STRIKERS IN the dispute over a sacked BBC television rigger voted yesterday to return to work pending the outcome of a court case on an alleged assault on a transport manager.

The decision followed a peace formula jointly proposed by leaders of the Association of Broadcasting Staffs and BBC

Tees shipyard may stay open

BY LYNTON McLAIN

HAVERTON HILL shipyard on Teesside may be kept open by British Shipbuilders on a care and maintenance basis until the end of the year.

But the three-week-old decision by the state-owned corporation to stop shipbuilding at the yard with the loss of 1,100 jobs, still stands.

Almost 850 workers have been paid off already and a further 100 men have volunteered for redundancy.

Haverton Hill is one of Britain's more up-to-date yards, but the corporation felt unable to divert work to it to stave off the need for redundancies because of its poor record in labour relations.

The yard lost its possible share of the £115m Polish ship order last year and was to have received steel fabrication work for the Bank and Savill Line container ship to be built at the South Bank yard of Smith's Dock, part of British Shipbuilders.

Industrial action by draughtsmen encouraged the corporation to withhold all work and the New Zealand Star, the last vessel to be built in the yard, sailed in December.

The corporation said yesterday that the cost of keeping the yard open on a care and maintenance basis would be £370,000.

A working party, including the unions and Cleveland Council, is to report on the possibility of alternative work. The council would be asked to waive the £178,000 rates bill for the coming year if the plan goes ahead.

Mr. John Chalmers, general secretary of the Boilermakers' Society and chairman of the Shipbuilding Negotiating Committee of the Confederation of Shipbuilding and Engineering Unions, warned yesterday that massive shipbuilding redundancies would be inevitable later this year.

Orders in the last quarter of 1978 had been received for only five ships, totalling 9,418 tons, while it had been argued that Britain should retain a building capacity of 1m gross tons.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Phone call starts up a plant

OPENING UP new possibilities in remote control is a machine from Shipton Communications which can be used to control virtually any electrical or electronic equipment via a telephone call.

Users call System '80's number from any telephone, including public call boxes—and hear initially the usual announcement of a telephone answering machine. At this point they can use it as a telephone answering machine, leaving a message which can be played back later for attention.

Instead of leaving a message, however, code can be dictated for example a sequence of numbers. This causes the machine to respond with call tones for extra codes to be spoken, the number depending on how difficult users want to make it for unauthorised people to access the circuit. Codes can be changed at any time by rotary switches on the machine itself.

On completion of the preamble, another spoken code will cause System '80 automatically to monitor and/or operate whatever equipment is connected to it.

The system has been designed with industrial applications in mind. For example, one code could cause it to switch on a piece of equipment and to switch it off again. Three different items of equipment can be connected in this way.

In addition, System '80 can be programmed to feed back to the caller information about the equipment to which it is connected. In a simple case this would be to relay a "functioning normally" signal from the control circuit of some automatically operating plant. Should a malfunction be detected, however, a further spoken code could cause the plant to be switched off or adjusted.

Engineering groups which have satellite unmanned plant locations could benefit from this remote control facility. Gas, water and electricity services, for example, need constant remote supervision of automatic plant.

Installation is simple, all interface connections being already part of the system's hardware. Full Post Office approval has been obtained by Shipton.

System '80 is available on rental from Shipton at costs which vary according to the facilities to be included, but as a guide, a three year rental starts from £310 including installation and maintenance for the basic interrogation machine function.

Shipton House, Frogmore Road, Hemel Hempstead. 0442 47171.

Calling in the key staff

PRIVATE wide-area radio paging—first of its kind in the UK—is being operated by Micro Consultants, in and around Newbury, Berkshire.

Installed by Multitone, the system ensures that key Micro Consultants personnel at any of the firm's seven establishments in Newbury can always be contacted, even if they are travelling between sites.

Three member companies of the group have facilities at Newbury: Micro Consultants, which specialises in the design and manufacture of computer interfaces and complete digital systems; Quantel, which concentrates on the design, development and marketing of TV broadcast equipment involving digital techniques; and MC Computers, which is engaged in producing electronic assemblies for members of the group and also the manufacture of an intelligent portable logging system.

Control centre for the paging system, which is seen as a logical extension of the telephone network facilities, is adjacent to the switchboard and supervised by the telephone operator/receptionist. The UHF transmitter and aerial for the system are located on the roof of Maidenhead House, a central office block housing the firm's R&D unit, and also the second tallest building in Newbury.

Pocket paging receivers are issued to key staff and carried by them at all times while they are on duty. Paging calls can be initiated by the operator using an encoder or, via the internal telephone system, by dialling an "access number" followed by the pager number. Three "bleep" codes are in operation: rapid single bleeps signify that the person alerted should call the operator to take an incoming call or receive a message; double bleeps warn that a speech message from the operator will follow; and long bleeps indicate that the call is made from a telephone.

This third mode, involving telephone coupling, allows one-way speech from the caller and is particularly valuable for contacting people after hours, when the switchboard operator is not on duty.

Multitone Electric Company, 6-28 Underwood Street, London N1 7JT, (Tel: 01-253 7611).

● TEXTILES

Twist to make a fine yarn

BRITAIN, home of fine woollens and worsteds for generations has, over recent years, seen a steady decline in textile machine building for this sector of the trade. Now an attempt is being made to reverse the trend.

For some years L. Rogan (Textile Machinery), Peel Park Works, Otley Road, Bradford BD3 0LP. Tel. 0274 636324 has been supplying parts for British equipment and has been active in reconditioning equipment.

From these operations, it became obvious that there is in Yorkshire a growing need for a domestic supplier of wool spinning machinery. As a result the company is now entering the original equipment business to meet this requirement.

First piece of equipment to be built by Rogan is the type 15 ring twister which is designed for twisting both natural and man-made fibres which have been spun to a wide range of counts. It will twist on to either bobbins or tubes and with ring sizes varying from 3-in to 6½-in (76-165 mm) diameter the speed will vary inversely with the diameter. The creeling arrangement with the new machine can be adjusted to meet the individual requirements of mills.

There is a positive, first-time engagement of the feed roller drive through helical gearing and this is fitted with foot control. A very sensitive stop-motion on each spindle is claimed virtually to eliminate hard and soft twist in the yarns and in the event of an end break there is immediate stopping of feed roller and the spindle.

Effective balloon control during twisting means that the tensions on the yarn are minimised, which in turn is reflected in more efficient operation of the frame and higher quality resultant yarns. Each side of the two-sided frame is independent so that the twist inserted on one side may be different from that on the other. The feed rollers are covered with fine grade carborundum so that when processing staple fibres a single-wrap round the roller gives a very positive grip.

Every roller is fitted with a shearing device as a safety measure. The precision roller bearings are mounted in individual swing bases and the jockey pulleys are mounted on ball bearings.

The quick-acting end break detector is claimed to operate so rapidly that the operative is able to tie a single knot between the detector supply and the supply package which means that delays of re-threading are eliminated.

The entire machine is very robustly built and designed for high production while maintaining great reliability.

● CONFERENCE

On solving problems

NOT JUST another computer show, but more a way of life in the office in our time, is the theme of Info/Europe, an exhibition and conference to be held next year, February 18-21, at the Wembley Conference Centre, London.

It is said that, on average, British industry invests £5,000 per employee on factory plant and machinery, but less than £500 per office worker. One aim of the exhibition is to point the way here towards office automation that leans heavily on computers, linked to dictating, duplicating, typesetting, copying, telex, facsimile transmission, microfilm and other forms of information storage, and to distributed access to these facilities either from local or branch offices.

A show for corporate management, with the emphasis on applications, it will exhibit latest technology, stressing what applied technology can do for the end user, says organiser Clapp and Pollak Europe, 232, Acton Lane, London, W4 DL (01-995 4806).

● WELDING

Service to help the jewellers

ALTHOUGH IT is known for its fusion welding and accurate liquids dispensing equipment, Interfax, 2B Reddicap Heath Road, Sutton Coldfield (021 378 2289) is now offering a stud welding service for jewellers and light engineering.

Company claims the process, electrical capacitative discharge welding, is the only one of its kind available in the UK.

Described as "putting studs on to plates," the process is used in attaching jewellers' findings, stickpins, jewel settings, badge and fastener joints and catches, ear-rings and cuff-links. Maximum pin size is quoted as 0.25 inch; and the minimum, 0.025 inch.

Most types of metal can be joined, and all qualities of nibbed findings welded to all types of base.

A nib on the end of the post, rod or wire, to be welded touches the base and short circuits large charged capacitors in the equipment. Resultant discharge first vaporises the nib and ionizes the gap, and then forms a high-temperature plasma arc, which melts both metal surfaces, ensuring a true weld. The heat rise and fall are so rapid that the completed weld is cool to the touch.

Introduction of its contract welding service, says the company, means that jewellers all over the country can send their work to Sutton Coldfield and save themselves the traditional laborious toil in little back rooms.

● SOFTWARE

Competition on finance package market

LARGEST SUPPLIER of software for financial applications in the U.S., MSA, has set up a British subsidiary as part of a drive on a £500m European market for financial software over the next three years.

This marketing drive will be led from new UK and international offices near London in Slough, Berkshire.

MSA's software packages, which handle financial, accountancy and management reporting requirements, have won the company more than 3000 customers.

Last year's turnover was more than $25m and the 1979 research and development budget is $5½m.

Outlining plans recently for the UK company, MSA (Management Science America) the newly appointed managing director, John Hale, has emphasised commitment to the UK market in that a large budget has been earmarked for converting all MSA software for use with the ICL 1900 and 2900 ranges.

Recruitment of British software specialists is in progress and a staff of 25 professionals should be at work by the year's end.

MSA, 1 Wexham Road, Slough. Slough 70751.

● IN THE OFFICE

Sony into another market

CASHING IN on the quality image it has created in the television and audio field, Sony (UK) has now taken the plunge into business equipment with the introduction of some dictating equipment already available in the U.S.

There are three models, a desk top recorder/transcriber, a similar looking unit for transcription only, and a portable unit measuring 39 by 175 by 114 mm and weighing 0.76 kg, essentially for the executive to carry with him. All the machines use standard Philips pattern cassettes.

The recorder/transcriber, BM40, measures 95 by 276 by 291 mm and weighs 5 kg. Facilities include backspacing (each time the tape is stopped) which is variable by means of a knob so that any typist can be suited. In the same way the speed of playback can be varied to suit typing speed. As well as a tape counter the unit has electronic indexing which allows an audible mark to be put on the tape to indicate the end of an item.

A similar machine, BM 45 is for transcription only. Accessories for both machines include foot control, cassette bulk eraser, earphone and telephone pick-up.

Sony's entry into the market seems to be motivated partly by a belief that the mid-70s sales slump for such equipment has passed, although it is also placing much emphasis on audio quality—which is very good—on the basis that the typist or secretary often has to "live with" such machines for several hours a day.

Distribution will apparently not be by normal Sony outlets, but only through "carefully selected" office equipment dealers, of which 50 are in the course of being chosen.

● AGRICULTURE

Root crop harvester

DESIGNED PRIMARILY for carrots, a root harvesting machine deals equally with parsnips, has successfully lifted early potatoes, and is being adapted for the main potato crop.

Design and built by Reed and Upton, of Bury St. Edmunds, for East Anglia farmers serving adjacent canneries, it is capable of lifting an acre an hour of carrots, an average of some 20 tons of canning carrots. Speed is 1-4.5mph depending on conditions.

Initially at the start of the ten months season, a two-wheel tractor of middle horse power may be sufficient. In bad conditions even a powerful four-wheel drive tractor may not be sufficient, or damage the top soil. The solution to this problem has been to incorporate two Renold hydraulic motors in the rear wheels. These form part of a system using a pressure compensated piston pump and a sliding draw bar link mechanism to signal the tractor's movements to the harvester.

Draw bar has a hydraulic cylinder which provides linear damping in the "power on" mode. When the machine is being towed to another site the hydraulic cylinder operates as a random pump (rather like shunting railway wagons) to keep a free-wheeling sub-system operating, thus enabling the harvester to travel above working speed.

Wheel motors substantially reduce the draw bar pull, eliminating wheel drag and helping the machine through or out of muddy conditions. The design of this harvester also incorporates more cleaning stations than its Continental rivals, which tend to dominate this sector of the market.

Further from Reed and Upton, Bay Quarry Works, Barton Mills, Bury St Edmunds, Suffolk.

Finds areas and rates

AN ELECTRONIC instrument that can be used either to keep a check of the area worked by a farm implement, or as a flow meter in crop spraying has been put on the market by RDS (Agricultural), Stroud Road, Nailsworth, Stroud, Gloucs GL6 0BE (045386 3787).

The device operates by counting pulses and multiplying by a factor calculated from the measurements provided by the user when making initial settings.

When used as an area meter, the input setting is a factor found from distance travelled per revolution of the monitored wheel and the working width of the implement. When spraying crops, the setting is calculated from the calibration of the flow transducer, and the number of nozzles being fed.

It takes only a few seconds to look up the appropriate columns in the tables provided, read off the appropriate figures and enter them into the instrument's memory. The tables are supplied with both imperial and metric units so that the final digital reading can be in acres, hectares, gallons or litres. Two read-outs, resettable and non-resettable are provided, to give both grand totals and the ability to make frequent running checks.

● MATERIALS

Powerful sealant

BRITSEAL FOR use on steel pile joints in the construction of coffer dams on land, in the sea or in fresh water, is to be marketed by BSC (Chemicals).

This follows successful trials on rivers and at the company's Orgreave Works where the product was developed. When used in the construction of coffer dams, Britseal expands to many times its original thickness when exposed to water.

Providing there is no gross distortion or misalignment of the piles when driven into a base, Britseal will ensure that the pile interlocks do not leak, thereby reducing costly pumping operations and possible delays in the project schedule.

The new product need only be applied to one side of each interlock face and a small brush or mop is usually used for this purpose. To obtain the best results these faces must be dry and free of grease, dust and dirt.

When applied, it must be allowed to dry for a period of 12 hours in a moisture free environment.

It has been estimated that there is a current UK market requirement for several hundred tonnes of Britseal per annum and other outlets in both the domestic and industrial fields are also being explored.

Once established, the possibilities of exporting the product will also be pursued.

British Steel Corporation (Chemicals), Staveley Works, Chesterfield, Derbyshire S43 2PA. 0246 72121.

● LICENSING

In search of joint ventures

DISCUSSIONS WITH UK companies that might lead to licensing and joint venture arrangements for manufacture and distribution in North America of industrial and commercial products are to be sought by a Canadian group of manufacturers when they arrive in the UK on April 9.

During the four-day visit the nine-member group will look for products used in the transportation and building industries, sheet metal fabrication, industrial processes, and in the consumer and retailing fields.

The group's visit to Britain and Europe is sponsored by the Ontario Ministry of Industry and Tourism, Toronto. Arrangements for meetings with representatives of UK companies are being handled through its Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS. (01-930 6404.)

A FINANCIAL TIMES SURVEY

MECHANICAL HANDLING

MAY 3 1979

The Financial Times proposes to publish a Survey on Mechanical Handling. The provisional editorial synopsis is set out below.

INTRODUCTION: Generally sluggish economic conditions worldwide have led to intensifying competition in export markets. But buoyant investment in the UK has created growth opportunities in the home market for parts of the industry.

Break-down of industry into its constituent parts:—

INDUSTRIAL TRUCKS: The most internationally orientated sector of the industry, industrial trucks have suffered most from world growth rates not coming up to expectations. Competition from Japan is becoming increasingly significant for European manufacturers. Profiles of leading companies: UK and European.

CRANES: The continuing recession in heavy industries like steel and shipbuilding has hit home markets of European crane manufacturers.

CONVEYORS: The bulk handling sector of the conveyors industry has also been affected by the lack of growth in the process plant industry, but unit handling equipment manufacturers have had a more rewarding year.

LIFTS, lifting and winding equipment: Much of the industry is geared to the needs of civil engineering, which continues to languish. Hoists for industrial purposes are closely allied to the fortunes of related industries such as cranes, and have lagged along with the stagnant industrial situation.

THE MIDDLE EAST: It has been an important market for the mechanical handling industry. What does the present slow-down in growth mean for the future.

AUTOMATION: Various aspects of mechanical handling lend themselves increasingly to automated control. An explanation of the latest developments.

LEASING: This is taking a growing share of industry's capital investment programmes, and has always been popular with industrial trucks. Examination of the advantages/disadvantages in the light of current interest rates.

FACTORY AND WAREHOUSE SPACE: Pressure is growing to utilise factory and warehouse space more efficiently.

CRANES, CONVEYORS, LIFTS, LIFTING AND WINDING EQUIPMENT: These have their own sub-committees which were set up recently by the NEDO sector working party on mechanical handling.

For further details of advertising rates for this Survey contact
Nicholas Whitehead
Financial Times
Bracken House, 10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 Ext 7112

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor

هكذا من الأصل

For those who wish to enjoy the most civilised and powerful motoring BMW offer a new Coupé, the 635CSi. Together with the established 633 CSi, these BMW Coupés offer the driver two brilliant and dynamic alternatives. Which one you choose is a question of taste.

The automatic choice is the BMW 633CSi with its ZF 3-speed automatic transmission. Power is from a 3.3 litre, six cylinder, fuel injected engine. Maximum speed is in excess of 130mph, but this, for obvious reasons, is largely unimportant. What is so pleasing about the 633CSi Coupé is the way it behaves when you drive it, the feeling of pleasure it gives. With its true four-seat capacity, its standard option of leather or velours upholstery and its feeling of refined purpose the 633CSi is one of the most civilised Coupés you can have.

The new BMW 635CSi offers something extra in sheer performance terms. Its engine is larger, 3.5 litres. It produces 218bhp and has a top speed of 140mph. 0-60mph time is 7.3 seconds and the suspension is uprated. The graphite, henna and polaris models come with front and rear aerodynamic spoilers whilst all other colour variations come with standard exterior trim. Moreover, the 635 offers you the delights of an engine of incredible torque and power matched to a five speed gearbox. Luxury refinements remain the same as the 633.

So the choice between the two BMW Coupés is not simply automatic. May we suggest you try them both so you can determine precisely what balance of civilised performance pleases you most.

Specification Resumé.

BMW 633CSi Coupé (Automatic).
Engine: 3210cc, six cylinder, fuel injected producing 200bhp. Automatic transmission.
Performance: Maximum speed 134mph. 0-60 in 10.1 secs. **Price:** £15,999.

BMW 635CSi Coupé.
Engine: 3453cc, six cylinder, fuel injected producing 218bhp. 5-speed gearbox.
Performance: Maximum speed 140mph. 0-60 in 7.3 secs. **Price:** £17,199.

(Prices correct at time of going to press. Source of figures, BMW.)

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THE JOBS COLUMN, APPOINTMENTS

Fresh view on the pay of 482,000 workers

BY MICHAEL DIXON

IT IS not only as taxpayers that most readers are concerned with whether 482,000 State school-teachers in England and Wales are currently worth, on average, an extra £1,893.15 a year per head. Those of us who work in the private sector of the economy are also prone to be used as standards in any official calculating of relatively just salary-levels for schoolteaching.

The teachers' unions generally have no doubt, of course, of the justice of their claim that an increase of 36.5 per cent, raising the average salary to £7,079.87½ a year, is needed from April Fools' Day to restore teachers to the pay-levels relative to those of "comparable workers," which were recommended by the Houghton committee of inquiry in 1974.

Most certain of all is the National Union of Teachers, which has an absolute majority on the unions' side of the Burnham pay-negotiating committee. Indeed, so certain is the NUT of the obvious justice of its case that it lost no time after the opening of talks with the education authority employers last week, in declaring publicly: "Teachers and their employers today re-affirmed their commitment to restoring 1974 Houghton pay-levels."

As it happened, however, the education authorities were not aware that they had joined in the said re-affirmation, and swiftly said so. In particular, the employers emphasised, "the issue of teachers' pay is closely linked with teachers' professional commitment, as acknowledged by both sides in last year's settlement."

That quotation evidently refers to a development which may have gone unnoticed by readers busy with the day-to-day work of setting standards for official calculation of the teachers' pay bill, while simultaneously helping to earn the £2.5bn a year currently needed to foot it. The development is that last year the second biggest teachers' union — the National Association of Schoolmasters and Union of Women Teachers—pressed numerous education authorities into conceding that fairly regular out-of-hours activities such as attending parent-teacher meetings, were not part of school staff's contractual duties.

Different

Hence what the employers seem to imply by their statement on "professional comitment," is that they believe the working conditions of teachers are now different from those which formed the basis of the 1974 Houghton inquiry's recommendations of proper, relative salary-levels.

In that case, it looks possible that the fate of teachers' pay and of the associated taxpayers' contribution will be sent for decision to the newest exponents of that perplexing branch of secular theology—namely, the Standing Commission on Pay Comparability, headed by Professor Hugh Clegg. I say "perplexing" because this type of study, while fast developing, is still divinatory.

For example, a hunt through the standard dictionaries indicates that the meaning of "comparability" in the above special conjunction with the word "pay" was not defined until 1961. And the definition which came to light in the November of that year was: "The principle of fixing the wages of public employees by reference to those of people who do similar work in private industry" (Supplement to the Oxford English Dictionary, Vol. 1, 1972).

Since virtually by definition private industry contains nobody doing similar work, in the sense of being employed to teach people mainly under the age of 16, the taxpaying lay public can surely only marvel at the scholarly dilemma which will face Professor Clegg and his colleagues if they are asked to determine schoolteachers' current worth. In the circumstances, therefore, it is perhaps fortunate for all concerned that the Jobs Column has come across some evidence which may provide the new Standing Commission with a bit of help in case of need.

The evidence admittedly has no bearing on the quasi-philosophical problem of demonstrating which jobs that do exist in the private sector can logically be deemed similar to school-teaching. But it does shed some light on the salaries paid by different kinds of employer to certain broadly similar people. These are professional chemists working in various fields, whose salaries were surveyed as at January 1 by their qualifying body, the Royal Institute of Chemistry. The survey produced relevant findings as follows (based on the "median," or the pay of the person half way down the salary ranking for the particular category, whom I shall henceforth describe as "the average professional chemist . . ."):

In the 31-35 age group, the average professional chemist working in industry had a salary of £6,620 a year. The counterpart working in school-teaching had a salary of £5,890. So the schoolteacher lagged behind the industrial worker by 11 per cent.

In the 36-40 age group, the corresponding figures were £8,050 in industry, compared with schoolteaching's £6,540 which thus lagged behind by 18.8 per cent.

In the 41-45 age group, the industrial salary was £9,200. The schools' counterpart was £6,850, representing a lag of 25.5 per cent.

So from the above, it appears that schoolteachers' pay falls considerably and progressively behind that of similar people working in the wealth-generating sector. But it also seems that the schoolteachers' disadvantage is far less than the 36.5 per cent being postulated by the teachers' unions. And there is another factor which, in all fairness, we need to take into account. It is the question of differences in working conditions.

Perks

The Royal Institute of Chemistry's report on its salary survey provides no information about how relatively well off its members in industry are in terms of fringe benefits, or how comparatively more secure members in schoolteaching are in their jobs. All I can do until such information becomes available, therefore, is to assume that such variances are roughly self-cancelling.

There is, however, another difference between the two kinds of work which is plain for all to see—in the length of the holidays allowed. So to be right, it would seem necessary to recalculate the survey's figures on a weekly basis. Although there is undoubtedly room for argument about the precise length of the working year in the case of either type of work, I am for the moment assuming that the average professional chemist in industry puts in 46 weeks, whereas the counterpart in schoolteaching puts in only 40.

The result, in the 41-45 age group is an industry figure of £200 a week, and a schools figure of £171.25. The teacher's disadvantage is thus reduced from 25.5 to 14.4 per cent.

In the 36-40 age group the weekly figure in industry becomes £175, compared with £163.50 in schools. Again there is a reduction of the teachers' disadvantage, from 18.8 to 6.6 per cent.

The result for the 31.35 age group is slightly different. Here the weekly figure for the average professional chemist in industry comes out at £143.91, whereas that for the counterpart in schoolteaching is £147.25. So what is apparently needed in this age group to restore comparability is a salary cut for the teachers of about 2.3 per cent.

Obviously I would not expect these calculations to be accepted on their face value by the teachers' unions. But I feel sure that all taxpaying "standard-setters" who work outside education will agree that the survey has certainly established one thing. It is that the union's claim that a 36.5 per cent rise is needed to restore schoolteachers' just salary-levels, is balderdash.

THE COMMISSION FOR RACIAL EQUALITY

has a vacancy for a

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Informal inquiries can be made to John Smith, Barnsley 86141 Ext. 663 or Bob Johnston, Ext. 144.

Please write or telephone for an application form quoting the appropriate post reference to the Chief Executive (Personnel), South Yorkshire County Council, County Hall, Barnsley, S70 2TN. Telephone Barnsley (0226) 86141 Ext. 266.
Closing date for applications will be 28th March, 1979.

South Yorkshire County Council
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30—45

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Detailed applications, together with the names and addresses of three referees, should be sent not later than 13th April, 1979 to:

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Marlborough House, Pall Mall, London SW1Y 5HX
01-839 3411

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Arab World

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Applications should reach us no later than
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Ref. No. 6354

Marketing Director

London based **c. £12,000 + car**

Our Client is a progressive unit trust management company which specialises in property investment and development. Its current requirement calls for the appointment of a senior executive to strengthen the marketing and sales effort.

This position will appeal to positive yet mature individuals, preferably in their early 30's, with a strong investment background probably gained from within a financial institution.

Candidates must demonstrate personal qualities of initiative and self-motivation, and possess the ability for effective communication at all levels together with a detailed knowledge of unit trust management.

A highly competitive and flexible salary will be offered, together with a car, and career development will be in line with personal achievement.

Contact Norman Philpot, who is advising on this appointment, on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

APPOINTMENT ADVERTISING RATE £16 PER SINGLE COLUMN CENTIMETRE

Financial Controller/ Company Secretary

£14,500 + car **Cumbria**

Applications are invited for this important appointment with a well established, profitable mechanical engineering company having a turnover around £4M.

Responsibility will be to the Managing Director for all aspects of financial control and normal company secretarial matters. A qualified accountant, in the age bracket 34-40, with an industrial background, will find this an attractive opportunity to participate in a small management team and make a personal contribution. It is available due to a forthcoming retirement and the person appointed will be of director calibre.

As the Company exports a considerable percentage of its output, familiarity with export finance and conditions of international trading, will be essential.

Relocation expenses to this extremely pleasant area will be met and preliminary discussions held in Manchester and London.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to John Finnigan, Personnel Services Division of:—

SP Spicer and Pegler Management Consultants,
3 Bevis Marks,
London EC3A 7HL.

OUTSTANDING OVERSEAS CAREER OPPORTUNITIES IN THE MARINE AND INDUSTRIAL PAINT INDUSTRY.

The HEMPEL ORGANISATION, operating all over the world through own factories, stocks, and agents, is looking for managerial candidates.

If you have leadership qualities, fluent English, a suitable university background, combined with some practical sales and organisational experience, and a desire for a posting abroad, we can offer you a challenging future in a managerial position after a suitable training period at our head office.

Interested applicants should write to the head office:

Hempel's Marine Paints A/S
Corporate Personnel Dept. · Lundtoftevej 150
DK-2800 Lyngby · DENMARK

HEMPEL

Industry
Container
Offshore

Top Finance/ Administration Director

Preferably with Retail Experience

A top-level vacancy has recently arisen for a FINANCE/ADMINISTRATION DIRECTOR in charge of our company's planning, internal administration and systems analysis. Applications are welcomed from candidates with relevant experience and a proven track record in all these fields. Experience of the retail trade would also be a definite advantage. This is an important and demanding position and the salary offered is fully commensurate with its seniority (negotiable c. £11.000 p.a.). The successful applicant can also expect a company car and excellent fringe benefits, including a generous company pension scheme.

Applications in writing, giving full details of age, qualifications and career to date should be sent to: The Managing Director, P.O. Box A6700, *Financial Times*, 10 Cannon Street, London EC4P 4BY.

All applications will be dealt with in the strictest confidence.

MANAGEMENT ACCOUNTANT —GERMANY

The Gascoigne Group Limited, an important, expanding and diverse multinational group of engineering companies, seeks a qualified Management Accountant for an initial assignment of up to two years with its German subsidiary in Bavaria.

The successful candidate, who must be reasonably fluent in German, will operate at a senior management level and will play a major role in developing management control procedures and improving profitability. In the longer term the group offers excellent opportunities for career development.

An attractive remuneration package will be negotiable in line with German practices.

Please apply in confidence, with appropriate written particulars, to:

The Group Chief Accountant
THE GASCOIGNE GROUP LIMITED
Jacklyns Lane, Alresford, Hants SO24 9JN

MONTAGU, LOEBL, STANLEY & CO.

EXPERIENCED GILT EDGED SALES EXECUTIVE

An opportunity exists for a person with considerable sales experience to join our expanding Institutional Gilt Edged Department.

This challenging opportunity will appeal to someone with proven ability, who has the necessary drive to help this young but talented unit become a strong force in the market. The remuneration package will be attractive to the right applicant, who will probably be over age 24.

Persons who feel they have the required ability should contact the partner in charge, Mr. R. A. D. Froy.

MONTAGU, LOEBL, STANLEY & CO.
31 Sun Street, London EC2M 2QP
01-377 9242

Group Personnel Controller

City
Insurance
c.£10,000 + car

Our client is a well established successful and expanding composite Insurance Group with a decentralised organisation of approximately 1,000 employees in the United Kingdom.

A Group Personnel Controller is to be appointed to enhance the professional expertise of the Department. The Personnel function is accepted and effective with emphasis on communication through Line Managers.

The appointment will require in-depth knowledge of Industrial Relations practice and procedures, communications, manpower planning, training and remuneration.

Applications are invited from men or women aged 30-45 who hold a degree and membership of the Institute of Personnel Management. Considerable experience in all aspects of Personnel Management, preferably in the Financial or Insurance sectors is essential, with the ability to relate well at all levels.

Please reply giving brief personal and career details to Christopher West, ref. 759c.

COURTENAY PERSONNEL LIMITED
11 Maddox Street, London W1R 9LE. Tel: 01-629 1913.

BLUE BUTTONS

Akroyd & Smithers Ltd., a stock jobbing firm covering most markets, requires young trainees aged between 17 and 22 years, who have received a sound education. Successful candidates will be taken into the Blue Button Training Scheme and will earn a competitive salary with profit sharing scheme, and other benefits.

Please reply in confidence to:
E. B. J. Carpenter
AKROYD & SMITHERS LTD.
Austin Friars House, Austin Friars, London. EC2
Telephone: 01-588 4535

OPERATIONS OFFICERS FOR SAUDI ARABIA

A highly esteemed bank is currently seeking Arabic-speaking Operations Officers for their Eastern Province with at least 5 years' proven practical experience and in-depth knowledge of all operational departments, particularly Accounting.

Salary will be negotiable and accommodation provided. All travel and consular arrangements will be made by the Bank. Age 25-35.

LJC BANKING APPOINTMENTS
283-9958

INVESTMENT BANKER

Leading U.S. investment bank requires experienced international banker for its London office. Knowledge of Euro markets including syndicated loan market essential. UK corporate finance background *highly desirable.* Language ability an advantage. Preferred age around 30. Salary for negotiation but unlikely to be a limiting factor. Please reply with curriculum vitae to:

Box T5038, Financial Times
10 Cannon Street, EC4P 4BY

ACCOUNTANT

Salary c. £5,500 p.a.

A well-known City Investment Trust requires a Finalist/Qualified Accountant/Banker as assistant to the Treasurer of its associated Banking Group of Companies which are involved in the hire purchase, leasing and commercial mortgage fields. The successful *applicant will be aged between 21-30 and will preferably have* some experience in banking and hire purchase accounting.

In addition to the salary there is a Non-Contributory Pension and Life Assurance Scheme; assistance on Mortgage Facilities; Permanent Health Insurance Scheme; Free BUPA cover and 75p Luncheon Vouchers per day.

Please apply in writing in strictest confidence to:
WALTER JUDD LIMITED Ref. L168
(Incorporated Practitioners in Advertising),
1a Bow Lane, London EC4M 9EJ.

هكذا من الأصل

Top Management Advisers

Earnings to £11,000
London : Birmingham : Edinburgh

We provide a range of consulting services to top management, from offices in London (Victoria and the City), Birmingham, Manchester and Edinburgh.

We look for men and women with managerial experience, and have made successful appointments in the age range from early 30's to early 40's, most people being graduates and some with second degrees.

At this time we are particularly interested to hear from similarly qualified people whose experience has been in banking (for the City), manufacturing line management or the personnel function (Birmingham and Edinburgh), and the marketing or sales functions (London, Victoria office).

The men or women appointed will receive training and guidance on their personal development, using their previous experiences as the basis, rather than the definition, of their consulting contributions.

First year earnings will be up to £11,000, depending on experience, and there are excellent other benefits.

Please write briefly to:
D.S. Anderson, Managing Director, HAY Management Consultants, 52 Grosvenor Gardens, London SW1 0AU.

HAY MANAGEMENT CONSULTANTS

SENIOR EXECUTIVES

If you are in the job market now — we are here to help. Coutts Careers provide:—
* Excellent job search assistance.
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* Contact with top recruitment.
* Confidential and expert counselling.
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Telephone now for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings
Trafalgar Square,
London WC2.

Financial Controller

City c.£20,000 + substantial benefits

One of the largest international insurance groups writing non-life business, now wishes to appoint a Controller for its UK organisation.

Responsibilities will include the implementation of corporate policy, the operation of all accounting, financial and internal control procedures, and the development of management information systems. The company has in-house EDP facilities and there is a supporting staff of 100.

This top management role calls for a Chartered Accountant aged between 40 and 50 who can demonstrate strong experience as a senior financial manager in a non-life insurance environment, including reasonable exposure to management information systems.

The remuneration package is negotiable but includes a subsidised mortgage, executive car and the normal benefits associated with a position at this level.

Please reply in confidence, quoting Ref. U816/FT, giving concise personal and career details to D.E. Shellard who is advising the company on this appointment.

AMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

NEWLY QUALIFIED ?

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NIGEL CHAPMAN.

I run a small Mayfair practice, where the standards are high, the atmosphere informal and the experience first class.

Starting salary £6,000

01 629 5189/2531

BP

Econometrician

An Econometrician is required within BP's Corporate Planning Department.

Preference will be given to candidates with a post-graduate degree in Economics or Econometrics coupled with at least two years' experience in industry.

The position offers an opportunity to apply econometric methodology to practical problems. Programming capabilities and experience of interactive computing, though not essential, will be an advantage, as will the ability to communicate with both commercial and technical clients and understand the nature of their specific problems.

The work will entail the use of existing software incorporating the most advanced estimation methods.

Salary will be paid according to qualifications and experience.

Please write, giving age and brief details of qualifications, experience and current salary, quoting reference B.644, to The Manager, Central Recruitment, The British Petroleum Company Limited, Britannic House, Moor Lane, London EC2Y 9BU.

Chief Accountant

Cheshire, c. £10,000 + Car

Holt Lloyd International Limited, world leaders in car care chemicals, require a Chief Accountant for their UK subsidiary, Lloyds Industries Limited. Turnover has doubled over the last three years and this new appointment is part of a controlled programme of further expansion in which the Chief Accountant, reporting to the Managing Director, will play a major role. The successful candidate will be accountable to the Group Financial Director for implementing sound financial systems and will control the entire financial function in the UK division, through a staff of 20, employed in manufacturing and administrative locations. Applicants will be qualified accountants, probably in their mid 30's, with a proven commercial expertise gained in a marketing-oriented company.

C.G. Moores, Ref: 24166/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
MANCHESTER: 061-236 8981, *Sun Life House, 3 Charlotte Street, M1 4HB.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

EUROBONDS MANAGEMENT to £14,000. For City International Bank. 492 0540. Premier Personnel A gency.

HEAD OF MANAGEMENT SERVICES

TI Domestic Appliances is a large and diverse Division of Tube Investments and comprises 21 operating companies manufacturing products under such famous names as Creda, Glow-Worm, New World, Russell Hobbs, Sunhouse and Tower.

The Division has a combined turnover of approximately £150 million.

This is an important role, made vacant by internal promotion. It presents the challenge of developing and guiding the introduction and improvement of computer-based management information systems in the companies of the Division and an involvement in special accounting projects. The job holder will report to the Divisional Finance Director.

The successful candidate (ideally aged between 30 and 40) will have several years' relevant and broad-based executive experience in manufacturing industry in this field, including responsibility for the introduction of computerised management information systems, and, in view of the degree of financial involvement, will possess an accountancy or business school qualification. He or she must have a proven record of success, the confidence, self-motivation and authority to communicate effectively with all levels of management, and will be responsible for a young and enthusiastic team of Management Services specialists.

Although based in North West London, this post involves travel throughout the UK. In addition to a highly competitive salary, a Company car and a comprehensive benefits package will be offered to the successful applicant. This position could lead to a directorship and there are excellent prospects of advancement within both the Division and the Group.

Please send a detailed c.v. to:
J. G. Thwaites Esq., Divisional Finance Director, TI Domestic Appliances Ltd., Radiation House, North Circular Road, London NW10 0JP.

DOMESTIC APPLIANCE DIVISION

CHIEF EXECUTIVE

Due to the retirement of the present Chief Executive, The English Industrial Estates Corporation seeks a new one. The Corporation, with HQ in Gateshead, is responsible for developing and managing the Government's Industrial Estates in the Assisted Areas of England from Northumberland to Cornwall. It has over 200 sites and about 3.3 million square metres of factory space, which is growing rapidly.

The ideal candidate should have experience of financial control and of estate development and management. Familiarity with both the public and private sectors is desirable.

Salary about £16,000.

Please apply by 6th April, 1979, to:

Mr. Geoffrey Robinson, CBE, Chairman
English Industrial Estates Corporation
Team Valley, Gateshead, Tyne & Wear NE11 0NA

THE ENGLISH INDUSTRIAL ESTATES CORPORATION

Group Personnel Manager

c. £11,000 + car

A successful Personnel Manager is required to fill a new senior post in the UK operation of a fast-growing international group. Reporting to the Managing Director, the person appointed should provide a professional and progressive approach covering recruitment, training and development, appraisal and succession planning, remuneration policies, industrial relations and employment legislation. He or she will be expected to initiate policy and co-ordinate action through a small central team of specialists and through Personnel Managers at geographically dispersed sites employing a total of 2,500. The post offers career prospects. Graduates in their thirties or early forties should have all-round senior personnel operating experience in manufacturing industry and be accustomed to negotiating with trade union officials. Salary is negotiable around £11,000 plus car. Assistance will be given towards relocating to the North-West.

Personnel Services Ref: AA33/6801/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and evelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA
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Unhappy Senior Executives Wanted

You can be frustrated for any reason at all, real or imagined. Over a salary you think is too low, and may well be. Over rewards or benefits that are too stingy. Over a lack of responsibility, lack of incentive, lack of opportunity, lack of recognition of your talents—over a lack of anything, including a future. We're here to help resolve the frustration. We can show you how good you are—and at what. We can help you obtain the right job, if you're in the wrong one. With the right company and the right people.

As for the right attitude, once you know yourself you will adopt it. You can manage your career. You will benefit from an initial confidential discussion with us.

Simply dial 01-234 0752 and ask for Donald Ham. Or write to him at:

Royston Ridgeway career managing people
Kent House, 87 Regent Street, London W.1.

GROUP ACCOUNTANT

Lloyd's Brokers c. £10,000

A private, old-established firm of insurance brokers based in the City, is seeking an accountant, preferably qualified, to take charge of a small department and be responsible for all accounting.

First-hand experience of accounting for Lloyd's is essential but this could have been obtained with Lloyd's panel auditors. Familiarity with EDP systems would be useful as the group accountant will need to up-date systems. Personal qualities are important to facilitate communication with management at every level.

Please apply:
Timothy Hoare,
Chichester House,
Chichester Rents,
London WC2A 1EG.
01-242 5775.

Career plan Limited

£6,000 accountancy appointments £9,000

These appointments appeared in the Financial Times on 13th March. For full details see the FT of that date or alternatively telephone Julie Burgess on 01-248 8000 ext. 526.

JOB TITLE	SALARY	LOCATION	ADVERTISER
Financial Analyst	c£8,000	C. London	NAG/Letraset
Accountant/Partnership Sec.	c£9,000 + Benefits	—	Personnel Appts.
Accounting Officer	—	London SW1	C.B.I.
Finance Management	c£8,000	Swindon, Wilts.	Plessey Microelectronics
Manager—Finance & Administration	—	Stockton-on-Tees	H. P. Ingledew & Co. Ltd.
Financial Accountant	c£8,000	Brentford	Lloyd Management/ Philip Morris Ltd.
Qualified Accountants	£7,000 +	London/Ipswich	Guardian Royal Exch.
Management Accountant	c£9,000	East Midlands	AK Advertising
Internal Audit	—	French/Swiss border	General Cable Corp.
Accountants	£6,000 + Car	London W8	Airfix Industries Ltd.
Ass. to Group Financial Controller	c£7,500	London SW1	Personnel Resources Ltd.
Recruitment Consultants	—	Berks, Bucks, Herts.	Management Personnel
Management Accountant	£7-7,500	London	M & J Personnel Cons.
Accountant	c£5,750	Chiswick	F.T. Box No. A.6694
A.C.A.	£6,000	Romford	Clemence Hoar Cummings
Financial Controller	Neg.	Crawley	Gatwick Bkg. Services
Chief Accountant/ Co. Sec.	—	Watford/ Rickmansworth	F.T. Box No. A.6693
Qualified Accountant	c£6,500 + Benefits	West End	—
PART QUALIFIED Accountant	£4,000-£5,000	—	M & J Personnel Cons.

INSTITUTIONAL EQUITY SALES

Kemp-Gee & Co. are seeking another experienced young executive to work in one of their established equity-teams servicing UK institutions.

Applicants must have had a minimum of three years' experience either as a broker handling institutional accounts or as a fund manager.

We are a research orientated firm, and the ability both to understand and to sell the research department's work to senior fund managers is essential. Remuneration for this important appointment will be fully competitive.

Please reply in confidence to:
Senior Institutional Sales Partner
Kemp-Gee & Co.
20 Copthall Avenue, London EC2R 7JS

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

EUROBOND EXECUTIVES

We are currently advising major international, merchant and investment banking clients on FIVE EXECUTIVE APPOINTMENTS in the Eurobond field:—

EUROBOND SALES to £15,000
Three leading merchant and investment banks seek to appoint Eurobond sales executives. Successful candidates will maintain and develop the banks' relationships with institutional investors, with particular responsibility for obtaining mandates. A close knowledge of the international investing community, experience in fixed income institutional sales, and understanding of the C.D. market and of prospectus work, are essential.

ISSUE MANAGEMENT c. £20,000
Two major commercial banks, currently expanding the Eurobond business being transacted by their merchant banking divisions, each seek to appoint a Manager to take responsibility for the Eurobond Issue Management function.

These appointments call for candidates of recognized stature in the Eurobond market, and experience in all aspects of issue management including marketing, negotiation, structuring and pricing, and the supervision of documentation. Though not essential, knowledge of a European language would be advantageous.

For all these appointments, competitive salaries are negotiable in line with current market conditions. The fringe benefits are those associated with leading banking institutions.

Please telephone in confidence, or send a detailed Curriculum Vitae to: ROY WEBB or BRIAN GOOCH

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Financial accountant

Brussels

Raychem is an expanding international corporation with a leading position in the field of heat shrinkable plastics.
Our European headquarters in Brussels has a vacancy for a financial accountant to work in the consolidation/consultancy department of the European finance group. Reporting to the chief accountant the successful applicant will be expected to play an active role in the European consolidation, prepare critical analyses of the reported results, liaise with financial management in the various countries and contribute substantially to some interesting project work. Increased responsibility will depend on the candidate's initiative and progress. A certain amount of travelling within Europe will be necessary, usually on a short visit basis. Candidates, aged 25 to 30, should be chartered accountants with a university degree. As a minimum, knowledge of French or German is required and an ability to communicate with people of different nationalities is vital. Post-qualification experience in an industrial or systems environment would be an additional advantage.
Raychem offers an attractive salary (very favourable tax advantages are normally available to people recruited outside Belgium), a pleasant international work atmosphere and the additional benefits associated with an international corporation. Assistance will be given with relocation expenses.
Write in confidence to:
Mrs. Odette Vermeir, Personnel Department, Raychem Corporation, Leuvensesteenweg 31, B-1940 Sint-Stevens-Woluwe, Belgium.
Tel.: 02/720.80.40

Raychem

District Agency Manager

Life & Pensions

Do you have experience in life assurance and pensions planning and can you relate this to the development of sales through professional intermediaries? If so, we can offer you a challenging and rewarding career with Save & Prosper Group to provide information and guidance to professional advisers on its wide range of personal financial services.

We are looking for a District Agency Manager in our City Branch to develop sales through established connections.

This is an important position requiring a high degree of self-motivation and the ability to communicate at all levels. An attractive salary plus incentive bonus, company car and excellent employee benefits are offered.

Applications, which will be treated in strict confidence, should include brief career details and should be submitted in writing to I. S. McCullum, Director, Save & Prosper Services Limited, 4 Great St. Helens, London EC3P 3EP.

SAVE & PROSPER GROUP

Look upon your Accountancy qualifications as an overseas travel permit

Corporate Audit

We are not just talking about the occasional trip. Before you read any further, we must establish that you are prepared to spend not less than 60% (and probably more) of your time travelling in Europe, Africa, and the Middle East.

As long as you are, we will give you the freedom to control your own operational and financial audits. You will be interpreting corporate policies for overseas operations, evaluate existing internal controls, and recommend operational improvements wherever necessary.

Aged at least 25 and a professionally qualified ACA, ACCA, or ACMA, you should have gained some sound practical auditing experience during qualification. Strong communication skills are essential and you should also be able to bring us a second European language.

The initial salary is negotiable, and will be supplemented by a substantial range of benefits, including generous travel concessions which will allow you to return to the UK every weekend whilst working in Europe.

Please write, with full details, to: E. J. Young, NCR Ltd. North Circular Road, London NW2.

NCR
Complete computer systems

Publications Editor

A leading firm of chartered accountants intends to appoint a publications editor.

The firm currently produces a variety of publications, ranging from booklets on professional topics and discussion papers on current issues to newsletters and a house journal.

There is now a need for a professional editor to co-ordinate the total programme, creating a publications policy and supervising its implementation throughout the firm.

The person we seek will be a fluent writer on business subjects, with a lively interest in accountancy and its relationship to broad business and economic issues and with an ability to manage an active publications' programme.

The firm provides a stimulating environment, considerable scope for an innovative personality and excellent terms and conditions of service. Basic starting salary would depend on qualifications and experience but would be in the range £9,000 – £11,000.

You should send your career details to John Newton at the address below. All applications will be treated in strictest confidence.
John Newton & Partners,
207 High Holborn,
London WC1V 7BW.
Telephone: (01) 405 0714.

Investment Banking Officer

Mergers and Acquisitions
Germany

One of the world's most prestigious American-based financial institutions is seeking an Investment Banking Officer, located in Germany, to be initially part of the Institutions Merger and Acquisition Group with the ultimate opportunity to be in charge of this function, reporting to the New York based officer.

He will advise domestic as well as foreign corporations on mergers and acquisitions and related investment banking activities. He must be able to demonstrate creativity, strong interpersonal skills, the ability to develop new business, handle negotiations and close deals. The ideal candidate will have a minimum of two years corporate finance experience with a German banking firm or a leading United Kingdom Merchant Bank or with similar institution on the continent. Perfect German and English are required and a third language would be desirable.

The position carries an excellent remuneration package including an attractive base salary and an appropriate fringe benefit programme.

Please reply with full career details, in strict confidence, stating the names of companies to whom your application should not be sent, to:

Mr. K Whitfield, (Ref: CRS/FF) Account Director,
Lockyer, Bradshaw & Wilson Limited,
North West House, 119/127 Marylebone Road,
London NW1 5PU.
Tlx: 299777 LBWADS G.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

Group Chief Accountant

Enfield £8-£10,000 + car

Our client, an important public company in the property development field with an annual turnover of £30 million is seeking to recruit a Group Chief Accountant.
Reporting to the Finance Director, the selected candidate will be responsible for a department of 17 people dealing with the full range of financial accounting duties from control of all income and expenditure to preparation of financial accounts, culminating in the publication of the group's annual report.
This appointment will appeal to qualified accountants with a number of years' post qualification experience in commerce.
The successful candidate will have the resilience and ability to make an immediate contribution to this vigorous organisation.
Please write with adequate particulars, in confidence to Peter Lee-Hale, Personnel Services Division of

Spicer and Pegler
Management Consultants,
3 Bevis Marks,
London EC3A 7HL.

EXPORT FINANCE

LATIN AMERICA

Our Client is a leading export finance house whose business in the Americas is well established. Their services are marketed from a London base by a predominantly young team.

The current requirement is for a marketing manager to undertake market development work in Latin America and possibly the U.S.A. and Canada in addition to servicing existing clients in these areas. The ability to act independently in the field and as a team member when back in the London Head Office is essential.

The successful applicant should have a sound knowledge of exporting capital goods to the area and preferably experience of export finance. Candidates in their mid to late twenties or early thirties are most likely to have the right experience and fit readily into the existing team.

This is an excellent opportunity to join a highly respected company at a starting salary of c.£9,000 + car and good fringe benefits.

Interested applicants should contact Richard Wilson, M.A. quoting Ref. FT/11.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

MANAGING DIRECTOR MIDLANDS

Commercial Vehicle Dealership

£15,000 p.a. plus car

Our Clients, a well known private trading group and an acknowledged leader in their own field, are about to establish a commercial vehicle dealership for a complete range of high quality Continental commercial vehicles in the Midlands.

They require a Managing Director who will have proven management ability and who is completely and effectively knowledgeable within the commercial vehicle trade. This position demands the ability to plan, organise, direct and control a profitable operation responsible exclusively to the Group Board.

The successful applicant will ideally be aged 35-45.

An extremely attractive executive benefits package is offered including a profit-sharing bonus and part inflation-linked pension scheme, in keeping with the status of the position.

Fully detailed applications in strictest confidence should be sent to The Isobel Brown Agencies, 14 Victoria Terrace, Leamington Spa.

FINANCIAL DIRECTOR

NORTH BIRMINGHAM — CIRCA £10/12,000 *PLUS CAR*

Our client is an industry leader in the extrusion of brass and copper. It is a major Company in a well established dynamic Group led by a small committed team of modern-thinking executives. The Group turnover exceeds £150m and it trades internationally.

Owing to internal promotion they now seek a Chartered Accountant with sound commercial experience. To perform duties the candidate must be capable of effecting changes to existing systems, and extending the use of data processing. Exposure to commodity situations (preferably metal) is desirable. must have successfully managed the financial function of a major company. with computerised accounts. The Financial Director will be involved also with management development, acquisition investigations, the financial aspects of planning and other commercial decision making.

It is unlikely that anyone under 35 years will have had the experience or maturity to handle this appointment. Candidates must have the presence to command the respect of departmental staff of over 60, including other qualified accountants, and be able to communicate easily at Board level.

Please reply in confidence to:
A. T. Hughes,
who has been retained by McKechnie Metals Ltd.,
to advise on this appointment.
Executive Resources Ltd.,
City Centre House, Union Street,
Birmingham, B2 4SR.
Tel: 021-643 6071.

Chief Executive

SCC Ltd — Dublin

The Jefferson Smurfit Group is the largest and most rapidly expanding Irish-based multinational company and is engaged mainly in printing, packaging and related activities.
The promotion of the Chief Executive, SCC Ltd, to Divisional Managing Director (UK) has created a senior management vacancy in the Corrugated Division (Ireland), which consists of nine vertically integrated companies engaged in waste recycling, paper manufacture, corrugated boxes and packaging systems.
Smurfit Corrugated Cases is the largest operating company in the entire Group and employs over 400 people at its two plants.
A Chief Executive is required to lead the management team in the formulation of long-range plans and policies and in their day-to-day implementation and control.
Candidates should have at least three years' experience as function head in a large company or Chief Executive in a medium-sized one. Familiarity with the paper/packaging industry is desirable.
The appointment, located at Walkinstown, Dublin, will form part of the Divisional Management Committee. Remuneration will be well into the five-figure bracket and the fringe benefit package, which will include a car, will be entirely appropriate.

Ref: R2317/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Corporate Lending

Business Development Midlands

Our client, a major International Bank, is seeking an additional young executive to join their well established and successful, Birmingham office.

He or she will be assigned their own group of existing and potential industrial clients in the Midlands and North of England. They will manage the overall relationship between each client and the Bank, and will be responsible for marketing the entire range of the Bank's services to these clients. The principle emphasis will be on short and long term finance, both sterling and currency.

Relevant experience will have been gained in either a Bank or similar financial organisation. Candidates must be confident, personable, self reliant and articulate; have a relevant graduate, professional or post graduate qualification, and be attracted to the Midlands where they will be located for several years as the first stage of their longer term development in the Bank.

Salary circa £8,000, supported by a wide range of benefits including low cost mortgage assistance, non contributory pension, life assurance, BUPA, profit sharing and car allowance.

Write to or call, in complete confidence, David Thompson, who is advising on this appointment, quoting reference 1035.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

North American Investments

A vacancy exists to join a small team concerned with American Investments. The position will involve research and investment advice as well as the management of American portfolios.

The successful applicant is likely to be between 25 and 30 and to have at least 3 years' relevant experience, probably in fund management, investment research or stockbroking with particular reference to North American markets.

An attractive salary with benefits and good career prospects is offered.

Applicants, of either sex, should write enclosing curriculum vitae to N. G. Prowse, Robert Fleming Investment Management Limited, 8 Crosby Square, EC3. Telephone 01-638 5858.

ROBERT FLEMING

CHIEF EXECUTIVE

to £15,000 + Car

You will have responsibility for the overall performance of a well established, Midlands-based, packaging company, part of an international group.

Aged at least 35, you will be an experienced senior executive with in-depth knowledge of the pastics business.

For further information call Keith Diver

Personnel Resources Limited 01 248 6321
Financial Appointments Hillgate House, Old Bailey, London EC4M 7HS

APPOINTMENTS WANTED

INVESTMENT

Experienced and highly-rated analyst, head of research, seeks post with career prospects in analysis and/or management, 33. M.A., F.C.A.

Write Box A.6678, Financial Times, 10, Cannon Street, EC4P 4BY.

ENERGETIC ENGLISH accountant (37) seeks position in stockbrokers or investment company, temp., part-time, anything considered. Tel. 0787 227782.

Senior Accountant

Papua New Guinea Harbours Board

£11,500 + free accommodation

Acting as the National Port Authority, the Board controls the operation and development of sixteen ports as a profit making commercial enterprise. Based in the capital, Port Moresby, and reporting to the Secretary, the position carries responsibility for the supervision of all aspects of an efficient established management information and accounting system. Suitably qualified candidates, aged 28+, must possess a practical approach for part of the duties include training personnel in accounting techniques. Emerging nation situation experience would be advantageous. An initial 18 month contract is envisaged, with salary and bonus paid in PNG currency. Free furnished accommodation is provided, as are air fares and generous education allowances for children.

T. Collins, Ref: 13016/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
LEEDS: 0532-448661, *Minerva House, 29 East Parade, LS1 5RX.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

INVESTMENT ANALYST

For Headquarters of major British International Group (W1) with diverse interests in the industrial and commercial sectors.

Applications invited from men or women (mid/late 20s) ideally with good honours degree in Economics, Mathematics or allied disciplines; a minimum of 2 years' investment analysis experience and marked ability to communicate both orally and in writing. Salary to £6,500 p.a. + benefits.

Managing Director
Massey's Executive Selection
100 Baker Street, W1 - 01-935 6581

FINANCIAL CONTROLLER

E. Midlands c. £10,000 + Car

Our client is an autonomous, growing and profitable engineering subsidiary of a major U.K. Group. The Controller, who will be a Director, will be responsible to the Managing Director for the total financial affairs and reporting procedures of the Company with functional responsibility to the Group Financial Director.

This man or woman must, therefore, be qualified with specific experience of financial, management and cost accounting, data processing and project appraisal. In return, this profitable group provides real scope for career growth with all the advantages of living in the relatively low cost area of the rural East Midlands. The rewards will, of course, match the importance of the position.

Please send your details (including salary) to Peter Raynes, quoting reference 0225, or telephone for a form to our 24 hour personal service on 01-8281854.

PETER COUNSEL *limited*
Executive Recruitment

The White House, 8 High Street, Guildford, Surrey, GU2 5AJ

INTERNATIONAL CO-ORDINATOR

WORLDWIDE ASSOCIATION OF LEASING COMPANIES

London **£7000-9,000**

An exceptional opportunity to control a major international association of many of the world's larger leasing companies. Participate in the growth industry of the 1980's. A unique *career opening in the leasing industry, for a business* graduate.

Our Client: A formal association of leasing companies, representing over 20 principal industrial nations, with a current $multi-billion leased portfolio, whose aim is to strengthen the multi-national capabilities of its individual members.

The Manager: Has responsibility for every aspect of the smooth running of the Association, involving: regular liaison with member companies • research in relevant fields • publication of the Association's bulletin • international sales and marketing • organising international meetings • co-ordinating the Association's Executive Committee.

Our Ideal Candidate: A mature and self-motivating young business graduate (middle 20's to early 30's), of either sex, who will combine intellectual ability with commercial acumen.

Of vital importance are the personal tenacity to work with little supervision and the diplomacy to co-ordinate a multi-national group of major companies.

European languages, particularly French and Spanish would be very advantageous. The position will involve some travel.

ACT NOW! For further information, or an application form, please contact the Association's adviser, Richard N. Goode, M.A., in the strictest of confidence, on 01-388 2051 *or* 01-388 2055 (24hr. Ansaphone). *Quote reference 305.*

MERTON ASSOCIATES (CONSULTANTS) LIMITED.
Merton House, 70 Grafton Way, London W1P 5LN
Executive Search and Management Consultants

Gresham Life have a number of Inspectors who have reached top management . . .

. . . You can enjoy the same career opportunities, in a long-established and progressive Society with a good growth record.

As a **Gresham Life Inspector** you will be paid a high basic salary plus an attractive Incentive Bonus – which means you could earn well in excess of £8,500 p.a. Other benefits include a car, non-contributory Pension and Permanent Health Insurance Schemes and concessionary house purchase facilities.
We are seeking people with sales experience in the Insurance field, or with a related financial background, accustomed to dealing with professional connections.
Vacancies exist for persons aged between 23 and 40, in the following areas: London, Manchester, Birmingham, South Wales, Bristol, Reading, Newcastle and Surrey.
Telephone or write in the first instance to **Norman Nash, Assistant General Manager (Sales)** at the address below, giving brief career details and quoting Ref. No. GL2

Gresham Life Assurance Society Limited
P.O. Box 1, Bournemouth BH4 9HD
Telephone: 0202 767655
Gresham Life — A member of the Rothschild Group

C&L

Cheshire **c.£9,000 + car**

FINANCIAL CONTROLLER

Our client is a rapidly growing agricultural co-operative with a turnover in the region of £6 million. An experienced accountant is required to assume responsibility for financial control and planning, management accounting and the direction and supervision of the accounts function. Subsequently it is envisaged that the successful candidate would have the opportunity to be involved in the overall business management of the co-operative.

The man or woman appointed must be a qualified accountant with experience in managing an accounting function, preferably within an environment of geographically dispersed production and distribution units, where particular emphasis has been placed on cash forecasting, stock and credit control, and preparing and analysing monthly accounts. A sound knowledge of computer-based management information and accounting systems is important.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to C. R. Williams, Executive Selection Division, Ref. M948, at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES (SCOTLAND) LTD.,
Management Consultants
Highland House, Waterloo Street, Glasgow, G2 7DB.

Two Assistant Pensions Managers

up to £7,000

These Manchester based appointments will be attractive to experienced pensions personnel, from age 25, who are now seeking to broaden their careers with a major international organisation. The jobs will be of interest to actuaries and accountants, but all applicants with the appropriate experience will be considered. The appointees must be capable of controlling complex procedures and have the ability to liaise effectively at all levels.

The posts are with Turner & Newall's Pensions Administration Department which operates contracted-out schemes for some 20,000 active members and 4,500 pensioners. Annual income to the funds is approximately £12m.

There is scope for advancement.

Starting salary is negotiable and there is an attractive range of benefits, including relocation help in suitable cases.

Please write or telephone, in confidence, for an application form, to:

TURNER & NEWALL LIMITED

N.J. Godden, Controller–
Group Pensions and Executive Services,
Turner & Newall Limited, 20 St. Mary's Parsonage,
Manchester M3 2NL. Tel: 061-833 9272.

These appointments are open to men and women.

Management Consultant

Manchester

We are looking for an experienced management consultant able to lead the further development of our business in the North of England. Based in Manchester the consultant will be responsible for responding to the needs of clients in Lancashire, Yorkshire and Tyneside, supported by a multidisciplinary team in London. The position offers unusual freedom of operation and the opportunity to progress on the basis of achievement.

Applicants aged under 40 should be qualified accountants with consultancy experience in financial systems design and development. Knowledge of computer systems would be an advantage. A mature personal style is essential.

An attractive salary and fringe benefits package is negotiable depending on age and experience.

Interviews will be held in Manchester and London.

Please write, in confidence, to R I Beard

Spicer and Pegler Management Consultants,
3 Bevis Marks,
London EC3A 7HL.

CHIEF ACCOUNTANT

BANKING

Age 34–45 **Salary £15,000+**

The London Branch of a major European International Bank wishes to appoint a mature and experienced person to Head its Financial Information and Planning Department. Applicants should be Chartered Accountants, with at least four years' banking experience at a suitably elevated level. The appointee will be part of the Bank's Management team, and will assist in the formulation and instigation of new policies and systems.

The job involves supervision of the day-to-day accounting of the branch, as well as the provision of Management Information. A working knowledge of current UK Tax Legislation and of computer-based administration techniques is necessary.

In return for the commitment that the role demands, our Client offers a stimulating and rewarding future with a Bank whose reputation and standing is undoubted in global terms. The remuneration is flexible, and the benefits package comprises those elements one would expect for an appointment of this importance.

In the first instance, please contact Rod Jordon (General Manager)

BANKING PERSONNEL
41/42 London Wall · London EC2 . Telephone : 01-588 0781
(RECRUITMENT CONSULTANTS)

Laing & Cruickshank

PRIVATE CLIENT FUND MANAGEMENT

An opportunity has arisen for an ambitious person aged 25 - 30 to join the Portfolio Management Department of Laing & Cruickshank.

The successful applicant will ideally hold a degree or professional qualification and will have a minimum of two years experience of providing investment services to Private Investors. In the first place he or she will work closely with one of the Partners in the Department but in due course will be expected to assume extensive responsibility for servicing clients and initiating business.

Career prospects will be excellent for someone who feels that they can contribute to the continuing expansion of the Firm's Private Client Fund Management activities.

If you wish to apply write to:

G. M. Powell, Laing & Cruickshank,
The Stock Exchange, London EC2N 1HA.

Highly Progressive Position

YOUNG INVESTMENT ANALYST

age about 20

for Japanese Department of City Stockbrokers. Previous analytical experience but not necessarily the Oriental sector of the market. £4,500, twice-yearly bonus, LVs and other benefits.

Ask Della Franklin
01-248 6071 / 01-236 0691
ALLANGATE EMPLOYMENT AGENCY
78 Queen Victoria St., EC4

PHYSICAL TRADER

£10,000

with metals or softs experience
Chandos Employment Consultants
01-581 3294

INVESTMENT MANAGER

c. £9,000 p.a. + Car

Applicants, preferably qualified accountants, should have stock market investment experience and some knowledge of personal taxation and private trusts.

A wide variety of financial interests are administered from a head office in West Kensington, London.

Write Box A.6697, Financial Times,
10 Cannon Street, EC4P 4BY.

£8-12,000
Corporate Finance Executives
Merchant Banking
LONDON

Graduates, male or female, age 25 to 35.
Perhaps an accounting qualification.
Successful record with merchant bank, international company or similar institution.
Familiarity with eurocurrency market, company acquisitions, joint ventures and project financing. Opening for Spanish speaker or linguist to join Latin American team with probability of tour in Mexico City. Opportunity to join the International Corporate Finance Division of a leading accepting house with affiliates and representatives throughout the world. Excellent fringe benefits.

Suitably qualified candidates please phone 01-493 7117 for application form quoting MRD 9012 (24 hour answering service).

MRD
Management Recruitment Division
BOYDEN INTERNATIONAL LTD.
11/15 ARLINGTON STREET, LONDON, SW1A 1RD.
LONDON, PARIS, BRUSSELS, GENEVA, ROME, MILAN, MADRID, BARCELONA, TOKYO, HONG KONG, CARACAS, MEXICO CITY, SAO PAULO, AUCKLAND, MELBOURNE, SYDNEY, JOHANNESBURG AND THROUGHOUT THE USA.

Lloyds and Scottish Limited

Group Finance Director

LONDON

To help sustain its rapid development Lloyds and Scottish Limited has re-organised its top management structure and in so doing has created a vacancy on the Main Board for a Group Finance Director.

Lloyds and Scottish is one of the country's leading providers of financial services–including instalment credit, leasing, factoring and personal finance, and is also involved in commercial and industrial activities. Last year the Group earned pre-tax profits of £26 million and had gross assets in excess of £700 million.

To qualify for this senior appointment applicants must have gained considerable experience in a very senior financial position. Responsibility for the Treasury function, which manages borrowings in excess of £450 million, dictates also that the successful candidate should have a sound understanding of all aspects of raising and administering substantial funds.

The Group Finance Director will be a member of a small team of Executive Main Board Directors who play a vital role in formulating policies and plans for the development of the Group which has doubled in size in four years and has every intention of sustaining this momentum.

The position will be located at the Group Headquarters in the West End.

Generous employee benefits are provided and the salary envisaged will be in keeping with the seniority of the appointment.

Replies giving full details of qualifications and experience and quoting reference LL should be sent in the first instance to Dewe Rogerson Limited, 4 Broad Street Place, London EC2M 7HE, who will forward them in confidence to the Management Consultants who are advising on the appointment.

NATIONAL FISHERIES DEVELOPMENTS LIMITED

FINANCE MANAGER

To act as Finance Manager to a company with majority Government shareholding which is executing a project sponsored by the Asian Development Bank. The company is building ten Ferro-Cement Skipjack Tuna Fishing Vessels at its own yard and will later operate them in Solomon Islands waters.

The Finance Manager will be responsible to the company General Manager and will assist him in establishing proper financial, accounting and personnel procedures including cost accounting and management information systems. He will also be responsible for local purchasing and overseas procurement of materials.

He will be stationed in Honiara, the capital of the Solomon Islands, where he will be the representative of the company and he will provide logistical and support services to the main base which is at Tulagi, an island 24 miles offshore from Honiara.

Applicants should have a recognised accounting qualification with at least five years' accounting and management experience in a commercial company and should preferably have experience of procurement of materials and personnel work. Experience of the shipbuilding or fishing industries would be an added advantage.

Conditions of employment and remuneration will be negotiable and a generous salary will be offered to a suitably qualified candidate.

Applications to:
The General Manager
National Fisheries Developments Limited
P.O. Box 717
Honiara, Solomon Islands
before the 4th May, 1979. A copy of your application should be sent simultaneously to:
Consulting Services Division
Asian Development Bank
P.O. Box 789
Manila, Philippines
with the envelope marked "Reference Loan 311 - SOL (SF)."

ASSISTANT PENSION FUND MANAGER

A leading Merchant Bank requires to appoint an assistant to one of their Senior Pension Fund Managers.
The successful candidate will have a sound knowledge of the fundamentals of investment and have research department experience. He/she is likely to be a graduate and must be capable of producing well-written analytical and business reports.
The candidate will be aged 25-30 and the reward range will be £7,000-£11,000 plus non-contributory pension, appropriate to the experience of the individual. The Pension Fund Department is growing and offers excellent prospects of promotion to full Fund Manager responsibilities.

Please write or telephone in confidence to:
Somerset Gibbs
Directorship Appointments Limited
17 Devonshire Street, London W1N 1FS
01-580 7357

FINANCIAL CONTROLLER

required by U.S.A. corporation's African operations

We seek a young qualified Accountant with a minimum of five years' experience at level of plant/operations Accountant. This is a challenging opportunity for personal growth in the international sphere. Location is at field operations centres in Africa but with regularly scheduled home leave, generous U.S. level salary with subsidised income tax, company paid accommodation, subsistence and travel. Single status.

Write Box A.6699, Financial Times,
10 Cannon Street, EC4P 4BY,
or telephone Mr. Snowdown on 06286-62172.

QS BANKING RECRUITMENT CONSULTANTS

FX DEALERS	to £14,000
GRADUATE CORPORATE LENDING OFFICER	c. £9,500
UNIT TRUST REPRESENTATIVES	£8,000 +

We should also like to hear from young Clearing Bankers, Accounts, FX Admin, staff wishing to develop their careers.

Please contact:
MIKE POPE or SHEILA ANKETELL-JONES
236 0731
30-31 QUEEN STREET EC4

Fixed Interest Management

E.C.3.

At Save & Prosper we have acquired considerable investment experience over the past 44 years, becoming Britain's largest unit trust group. From this base we have developed new ways of investing in other types of funds as well as in unit trusts so that investors can achieve more objectives in simple and tax-efficient ways. As a result we are now also a major force in life assurance, pensions and annuities.

At 1st January 1979 Save & Prosper Group managed £923 million for some 700,000 investors.

We have a vacancy in the area of our Investment Department which deals with the Group's fixed-interest and liquidity investments.

We are looking for a man or woman seeking to develop their career in this field, as Assistant to our Fixed Interest Manager.

An investment background would be an advantage and some dealing experience a positive benefit. The most important attributes, however, are a lively mind, lucidity in speech and writing and an ability to work accurately under pressure.

As well as a competitive salary, employee benefits include non-contributory pension and life assurance, BUPA and a subsidised savings scheme.

Please contact Matthew Dickinson, Save & Prosper Group Limited, 4 Great St. Helens, London EC3P 3EP.

SAVE & PROSPER GROUP

NIGERIA INTERNATIONAL BANKING

We are a recently-established, fast-expanding commercial bank in Nigeria. Affiliated to a major international banking group with world wide representation.

We require a suitably qualified person with wide experience in documentary bills and letters of credit for the post of Deputy Manager, Foreign Department in our Lagos head office.

Preference will be given to candidates having previous experience in Nigeria within the age group 30-40.

An attractive benefits package will include generous home leave, education allowance, and fully-furnished accommodation.

Please write to Mr. A. Deloz, Deputy Manager, Société Générale, 105/108 Old Broad Street, London EC2P 2HR.

محاسب

A new Saudi-British Finance Company is seeking an Accountant. He will be involved in all financial accounts, budgets, cash flow forecasting, credit control and general administration. He must have the initiative and ability to cope with continued expansion. The post will be based in Jeddah but will involve some travel within Saudi Arabia.

Applicants should be aged 26-29 years and hold a British or American professional accountancy or banking qualification. In addition, the applicant must have fluent spoken and written Arabic together with relevant commercial experience.

Salary is negotiable from £10,000 per annum tax-free together with free furnished accommodation and first class fringe benefits. The post offers very attractive prospects and the chance to contribute fully in the development of the company.

Contact Mrs. Viv Jones. Telephone: London (01) 235 7030 Ext. 29. (Answering service out of hours (01) 235 6938)

PER Professional & Executive Recruitment

OVERSEAS

4/5, Grosvenor Place, London SW1.

PERSONAL

ST. JOSEPH'S HOSPICE (FT)

MARE STREET · LONDON E8 4SA

Since 1905 the Sisters of Charity have cared for the dying and the poor in the East End of London.

At present they provide pain control and final comforts for 600 cancer victims every year in the Hospice and in their homes.

Their personal needs are small but the cost of running the Hospice is beyond their means.

They have given their lives to this delicate work—can you help them to continue with a little spare cash? Any donation would be gratefully received by Reverend Mother at the above address.

Annual Report available on request

CONTRACTS AND TENDERS

VICTORIA DAM AND TUNNEL

The Government of the Democratic Socialist Republic of Sri Lanka invites submission of prequalification information from experienced British contractors who can qualify through experience with projects of similar nature and type for the construction of either or both of the following works:—

(a) 110 m high double curvature arch mass concrete dam;

(b) 6 km of tunnels, shaft and surge chamber;

near the Victoria Falls on the Mahaweli Ganga about 16 km east of Kandy in Sri Lanka. Preliminary information on the project and instructions for firms wishing to apply for prequalification to tender are available on application from:—

Sir Alexander Gibb & Partners
427 London Road, Earley
Reading RG6 1BL

quoting reference 9d/78035. Such applications should be made immediately, since prequalification information received after 12th April 1979 may not be considered.

SERVICES

Accountancy Appointments

For short, medium and long term Accountancy Personnel

Contact SUE SPANIER on 01-629 7262

Accountancy Appointments
Contracts Division

7 Princes Street, London W1R 7RB Tel: 01-629 7262

SECRETARIAL APPOINTMENTS

SECRETARIAL POST IN GENEVA

An experienced secretary is required for an International Trade Union office in Geneva. Salary on commencement for a 35 hour week is about £700.00 *monthly. Minimum requirements* 120/50 w.p.m. Short listed applicants will be called forward for an interview in early April. Curriculum vitae and full details of qualifications held please to:

The Chief Clerk,
UPW House, Crescent Lane,
Clapham SW4 9RN

LEGAL NOTICES

No. 00712 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of AJAX SUPPLIES (SIDCUP) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 1st day of March, 1979, presented to the said Court by SANYO MARUBENI (UK) LIMITED, whose Registered Office is situate at Sanyo House, 8, Greycaine Road, Watford, Hertfordshire, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 2nd day of April, 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

POLLARDS,
56-59 Oxford Street,
London W1R 1RD.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of March, 1979.

No. 00789 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court in the Matter of R.A.D. SHIPPING SERVICES LIMITED and in the Matter of The Companies Acts 1948 to 1967.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of March 1979 presented to the said Court by THE SECRETARY OF STATE FOR TRADE whose address for service is The Treasury Solicitor, Matthew Parker Street, London, SW1H 9NN, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 30th day of April 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

TREASURY SOLICITOR,
Matthew Parker Street,
London, SW1H 9NN
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 27th day of April 1979.

No. 00796 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CHISWICK QUAY MARINA SERVICES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of March, 1979, presented to the said Court by BANKAMERICA FINANCE LIMITED whose registered office is situate at Fountain Court, 83/85 London Street, Reading, Berkshire RG1 4QA, Finance Company, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 30th day of April, 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ANTHONY EDWARD & HOFFMAN,
Roxburghe House,
273/287 Regent Street,
London W1R 8AD.
Ref: S Tel: 01-629 1208.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 27th day of April, 1979.

PERSONAL

JOHN RIDGWAY. BUSINESSMEN 30-70 years, weekly adventure courses April, May, June and September. Ardmore, Rhiconich Sutherland.

COMPANY NOTICES

NOTICE OF RATE OF INTEREST

U.S.$25,000,000

SUMITOMO HEAVY INDUSTRIES, LTD.

(Incorporated with limited liability in Japan)

Guaranteed Floating Rate Notes Due 1983

Unconditionally guaranteed as to payment of principal and interest by

The Sumitomo Bank, Limited

(Incorporated with limited liability in Japan)

In accordance with the provisions of the Notes and Agent Bank Agreement between Sumitomo Heavy Industries Ltd., The Sumitomo Bank Ltd., and Citibank, N.A., dated March 7, 1978, notice is hereby given that the Rate of Interest has been fixed at 11⅛% p.a., and that the interest payable on the relevant Interest Payment Date, September 16, 1979, against Coupon No. 3 will be U.S.$56.86 and has been computed on the actual number of days elapsed (184) divided by 360.

March 15, 1979
By: Citibank, N.A., London,
Agent Bank

CITIBANK

GENERAL MOTORS CORPORATION

Further to the DIVIDEND DECLARATION of 21st February, 1979, NOTICE is now given that the following distribution will become payable, to AUTHORISED DEPOSITARIES on and after the 15th March, 1979, against presentation to the Depositary (as below) of Claim Forms listing Bearer Depositary Receipts.

GROSS DISTRIBUTION PER UNIT	5.00	CENTS
LESS 15% U.S. WITHHOLDING TAX	0.75	CENTS
	4.25	CENTS PER UNIT
CONVERTED at $2.0495 =	2.0736	PENCE PER UNIT

Barclays Bank Limited,
Securities Services Department,
54 Lombard Street, EC3P 3AH

15th March, 1979

ROBECO

ROTTERDAMSCH BELEGGINGSCONSORTIUM N.V.
Annual General Meeting
of Shareholders

to be held at the Hilton Hotel, Weena, Rotterdam, on Wednesday, 28th March, 1979, at 2.30 p.m.

AGENDA

1. To receive and adopt the Report of the Managing Directors for the financial year 1978.
2. To receive and adopt the Annual Accounts for the year ended 31st December, 1978.
3. To declare the dividend.
4. To adopt a proposal to change the composition of the Board of Supervisory Directors. It is proposed to re-elect Mr. B. Pruijt—who retires by rotation—to the Board. *Furthermore, it is proposed to elect Mr. H. J. Witteveen a member of the Board of Supervisory Directors.*
5. Any other business.

Copies of the full agenda and of the Annual Report for 1978 can be had from National Westminster Bank Limited, Stock Office Services, 5th Floor, 12 Drapers Gardens, Throgmorton Avenue, London, E.C.2.

Beneficial owners of Share Warrants to Bearer desirous of attending or being represented at the Meeting must obtain a certificate of deposit signed by a Bank or other Authorised Depositary that such Authorised Depositary is holding the Share Warrants. This certificate must be lodged against receipt with the National Westminster Bank Limited, Stock Office Services, 5th Floor, 12 Drapers Gardens, Throgmorton Avenue, London, E.C.2., not later than Wednesday, the 21st day of March, 1979. The receipt for the certificate of deposit will constitute evidence of a shareholder's entitlement to attend and vote at the Meeting and should be presented at the door of the Meeting Hall. If a holder desires to appoint a proxy, who need not be a member of the Company, to attend and vote in his stead, a form of proxy may be obtained from the National Westminster Bank Limited as above and this form of proxy must be presented at the door of the Meeting Hall together with the receipt for the certificate of deposit.

Beneficial owners of Sub-share Certificates registered in the name of National Provincial Bank (Nominees) Limited desirous of attending or being represented at the Meeting must obtain a certificate of deposit in the same way as holders of Share Warrants to Bearer. If they desire to attend the Meeting in person or to be represented they must obtain a form of proxy signed by National Provincial Bank (Nominees) Limited, which form must be presented at the door of the Meeting Hall together with the receipt for the certificate of deposit.

Beneficial owners of Sub-shares registered in any name other than that of National Provincial Bank (Nominees) Limited and holders of Registered Full Shares, who wish to attend and vote at the Meeting or to appoint a proxy to attend and vote in their stead, must inform the Company in writing by Wednesday, the 21st day of March, 1979 of their intentions.

By Order of the Board
of Managing Directors,
T. M. SCHOLTEN
A. B. BUNKER

Dated this 12th day of March, 1979.

P.O. Box 973, Rotterdam.

AKTIEBOLAGET SVENSK EXPORTKREDIT
(Swedish Export Credit Corporation)
7¾% NOTES 1983

S. G. Warburg and Co. Ltd. announce that the fifth instalment of bonds for a nominal value of U.S. Dollars 1,800,000 have been purchased for redemption on 15th April, 1979.

U.S. Dollars 16,000,000 nominal amount will remain outstanding after 15th April, 1979.

30, Gresham Street,
London EC2P 2EB.
15th March, 1979.

CLUBS

EVE, 189, Regent Street, 734 0557. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-3.30 am. Show at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

BANQUE DE L'INDOCHINE ET DE SUEZ

Société Anonyme registered in France with a capital of Frs.577 431.400.
Registered Office:
96, Boulevard Haussmann 75008 Paris.
Central Offices
44, Rue de Courcelles, 75008 Paris.

NOTICE TO THE HOLDERS OF NOTES OF US$1,000 EACH OF THE F.R.N. ISSUE 1978-85

The Ordinary Meeting of the General Assembly convened on March 5th, 1979, not having been able to validly deliberate for lack of a quorum, the noteholders of the Company are hereby notified of the second convening of an Ordinary Meeting of the General Assembly which will be held on March 22nd, 1979, at 11.00 a.m., at 1, rue d'Astorg, 75008 Paris, for the same purposes, namely:

—appointment of representatives of the Noteholders,
—determination of the powers and remuneration of the representatives.

Each noteholder shall have the right to attend this meeting or to appoint a representative. The meeting will be open to holders of:

—registered bonds on record five calendar days before the day set for the meeting,
—bearer bonds having deposited their stocks five calendar days before the day set for the meeting at the offices of BANQUE DE L'INDOCHINE ET DE SUEZ.

BANQUE DE L'INDOCHINE ET DE SUEZ shall deliver proxies to noteholders who are unable to attend the meeting personally.

THE BOARD OF DIRECTORS

GENERAL INDUSTRIAL PLASTICS (HOLDINGS) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a meeting of the creditors of the above named company will be held at 23, Fenchurch Street, London EC3P 3ED, on 5th April, 1979, at 12 o'clock noon, for the purposes mentioned in sections 293, 294 and 295 of the said Act.

By Order of the Board,
R. M. ILES.

23, Fenchurch Street,
London EC3P 3ED.
Dated this 7th day of March, 1979.

LEUMI INTERNATIONAL INVESTMENTS N.V.
U.S.$20,000,000 GUARANTEED FLOATING RATE NOTES 1984

The interest rate applicable to the above Notes in respect of the six-month period commencing 15 March 1979 has been fixed at 11¹⁄₁₆% per annum.

The interest amounting to U.S.$58.45 per bond of U.S.$1,000 nominal and to U.S.$584.48 per bond of U.S.$10,000 nominal will be paid on Monday, 17 September 1979 against presentation of coupon No. 4.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

LEUMI INTERNATIONAL INVESTMENTS N.V.
U.S.$30,000,000 GUARANTEED FLOATING RATE NOTES 1981

The interest rate applicable to the above Notes in respect of the six-month period commencing 15 March 1979 has been fixed at 11¹⁄₁₆% per annum.

The interest amounting to U.S.$58.45 per bond of U.S.$1,000 nominal and to U.S.$584.48 per bond of U.S.$10,000 nominal will be paid on Monday, 17 September 1979 against presentation of coupon No. 6.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent.

NOTICE OF PAYMENT TO THE COUPON HOLDERS OF SANDVIK AKTIEBOLAG 9½% BONDS DUE APRIL 15TH, 1986

NOTICE IS HEREBY GIVEN that Coupon No. 3 of the above mentioned issue will be payable on April 16th, 1979 subject to the terms and conditions endorsed on the bond to which the coupon appertains.

SANDVIK AKTIEBOLAG
BANK OF AMERICA INTERNATIONAL S.A., Luxembourg.
Principal Paying Agent

PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS

The £6m ninety-one day Bills were issued 15th March, 1979, maturing on the 14th June, 1979. Applications totalled £54.5m. The minimum price accepted was £97.28. The average rate of discount was £10.90989%. The total Bills outstanding is £20m

NOTICE IS HEREBY GIVEN that Abdelaziz Sayed Ahmed Ali, of 3, Bina Gardens, London SW5 0LD, is applying to the Home Secretary for naturalisation, and that any person who knows any reason why naturalisation should not be granted should send a written and signed statement of the facts to the Under Secretary of State, Home Office (Nationality Division), Lunar House, Wellesley Road, Croydon CR9 2BY.

TRAVEL

GENEVA. Daily jet flights from Gatwick with British Caledonian from £50 return CPT. 01-351 2191.

APPOINTMENTS

APPOINTMENTS

New chairman for Cammell Laird Shipbuilders

Mr. Tony Smith, chief executive of CAMMELL LAIRD SHIPBUILDERS, is to become chairman and chief executive on April 1. Sir David Barritt will retire from the chairmanship at the end of this month. Sir David was *appointed chairman* in August 1971 by the Government and the Laird Group, then the company's shareholders. Mr. Smith joined Cammell Laird in 1971 as technical director. Mr. *Alastair Lamble has* been appointed managing director.

★

Mr. T. G. Boardman, Mr. J. A. S. L. Leighton-Boyce and Mr. C. A. McLintock have been appointed to the main Board of NATIONAL WESTMINSTER BANK. Additionally, Mr. Boardman, chairman of the Steetley Company and president of the Association of British Chambers of Commerce, will become chairman of the bank's Eastern Regional Board. Mr. McLintock, a partner in Thomson McLintock and Co., becomes chairman of the City and West End Regional Board. Both are on the respective Regional Boards and the new positions take effect from April 25. Mr. Leighton-Boyce, a deputy chairman of Pilkington Brothers and a director of County Bank, is on National Westminster's North Regional Board. Mr. W. R. Norman, Sir Edward Playfair and Mr. A. Russell are retiring as directors of the main Board at the annual meeting in April. At the same time Mr. Norman and Sir Edward will also retire as chairman and director of the Eastern Regional Board and of the City and West End Regional Board, respectively.

★

Mr. Forbes Macgregor, chairman and managing director of Harold Perry Motors, is the new president-elect of the MOTOR AGENTS ASSOCIATION and will succeed Mr. J. W. Campbell as president on April 25. The new deputy president is to be Mr. Roger A. Rees, managing director of Poole's (Volkswagen). Vice-presidents will be Mr. T. W. Jones, of Brown's Garage, Poole, and Mr. K. J. Vincent, of Vincent's (Garage), St. Athan.

★

Mr. L. G. Green and Mr. A. E. V. Houchen will retire as directors of BROOKE BOND LIEBIG on April 1.

★

Mr. Goodwin Clark has been elected chairman, and Mr. C. J. Francis, a director, of FEDERATED INSURANCE COMPANY.

★

Mr. W. K. Roberts, managing director of Norcros, has been appointed non-executive chairman of JOHNSON-RICHARDS TILES, and *Mr. J. A. Done has* become executive deputy chairman of that company.

★

Mr. R. D. E. Carpenter will be taken into the partnership of MONTAGU LOEBL, STANLEY AND COMPANY, stockbrokers, on April 9.

★

Mr. Frank Harrison has been appointed managing director of NEIL AND SPENCER LIMITED, the principal subsidary company of Neil and Spencer Holdings. Mr. Stephen Proctor, group managing director, will concentrate on longer term development of the company.

★

The Board of the ATTOCK OIL COMPANY has been restructured following the transfer of residence from UK. Dr. Ghaith Pharaon has taken over as chairman and Shaikh Kamal Adham has been appointed a director. Mr. T. A. T. Lodhi and Mr. M. A. Baqi become managing directors. Mr. A. P. de Boer and Mr. W. R. Andrews have resigned from the Board. The company's business in UK will now be carried out through Attock Oil Services (UK).

★

Mr. Paul H. Barrett has been named general manager of BANKERS TRUST A.G., Zurich. He was previously based in London where he was a vice president in charge of Bankers Trust Company's North Europe Group. Mr. Richard J. Bentley, who was general manager of Bankers Trust A.G. in Zurich, has been transferred to Bankers Trust Company in New York as vice president and group head in the Latin America Division.

BANKERS TRUST COMPANY has formed an international investment management unit in its London branch and appointed Mr. Randolph M. Vaughn, vice-president, to head a marketing group responsible for the Middle East. Mr. Vaughn comes to London from the Bankers Trust headquarters in New York, where he was senior marketing officer *in the international investment* management division in charge of Middle East-Africa.

★

Mr. Richard Carss has been elected a vice president of the MORGAN GUARANTY TRUST COMPANY OF NEW YORK. He was previously associated with Vickers da Costa, stockbrokers. It is expected that following a short period with the investment division of the bank in London, Mr. Carss will move to Morgan Guaranty's investment department in Hong Kong.

★

Mr. Michael Hankinson has been appointed *sales director of* the CALEDONIAN MINING COMPANY.

★

Mr. Michael Howarth has been appointed to the newly-created post of operations manager of COURIER EXPRESS, a member of the De La Rue Group. He was previously distribution manager with Southern BRS.

★

Mr. Tony Ransome has been appointed distribution director of POLYCELL PRODUCTS.

★

Dr. Fred Wrigley, who recently retired as chairman of United Medical Enterprises, has been appointed honorary consultant to the NATIONAL ENTERPRISE BOARD on the health care equipment and supplies industry.

★

Mr. M. F. Rawlence has resigned from the Board of the Bankers' Investment Trust.

★

VESUVIUS CRUCIBLE COMPANY has made the following group appointments in its European division: Mr. Thomas P. Hamilton as manufacturing director, Europe and Mr. Gavin *M. Thomson, technical director,* Europe. New Board posts in the UK organisation of the company are Mr. Gordon J. Mackie, managing, Mr. Thomas P. Hamilton, assistant managing, manufacturing, Mr. William M. Griffiths, financial, and Mr. Alan J. Hill, sales.

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Tel. 01 2114606

Notice of Redemption

Copenhagen Telephone Company, Inc.

(Kjobenhavns Telefon Aktieselskab)

9% Sinking Fund Dollar Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 15, 1970 under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has drawn *by lot, for redemption on April 15, 1979,* through the operation of the sinking fund provided for in said Indenture, $550,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000. PRINCIPAL AMOUNT OUTSTANDING

M- 12	756	1214	1915	2563	3144	3923	4427	4935	5545	6006	6591	7181	7818	8277	8869	9432	9875
30	762	1268	1985	2559	3152	3936	4444	4984	5598	6074	6601	7235	7819	8299	8871	9433	9878
149	812	1299	1988	2580	3204	3937	4479	4992	5602	6127	6677	7246	7829	8377	8924	9485	9887
176	814	1311	1992	2595	3246	3982	4482	5004	5641	6140	6702	7262	7848	8380	8926	9518	9902
200	853	1332	1995	2650	3252	3999	4531	5036	5648	6195	6746	7294	7880	8387	8999	9562	9912
204	856	1351	2000	2651	3256	4000	4533	5059	5651	6223	6818	7317	7942	8393	9000	9570	9928
207	857	1355	2001	2697	3330	4061	4557	5079	5674	6270	6834	7327	7968	8415	9021	9613	9944
241	904	1475	2176	2717	3385	4062	4566	5090	5690	6272	6835	7358	7989	8431	9052	9637	9966
317	937	1526	2180	2771	3426	4076	4619	5166	5763	6315	6844	7383	8009	8555	9079	9663	9988
342	1007	1527	2278	2797	3492	4077	4639	5173	5782	6317	6848	7395	8027	8626	9102	9702	9994
362	1035	[illegible]	2314	2869	3497	4078	4673	5184	5786	6318	6898	7469	8044	8627	9132	9709	
379	1038	1621	2331	2890	3498	4198	4681	5239	5810	6355	6900	7471	8058	8630	9212	9737	
441	1054	1668	2334	2907	3553	4236	4711	5252	5860	6381	6910	7473	8111	8680	9246	9738	
490	1065	1670	2352	2981	3555	4270	4801	5331	5879	6456	6919	7485	8158	8712	9276	9742	
505	1078	1686	2354	3000	3589	4271	4831	5342	5882	6463	6956	7515	8163	8715	[illegible]	9783	
527	1122	1719	2364	3004	3637	4346	4835	5356	5916	6468	6993	7557	8197	8753	9339	9784	
572	1123	1738	2372	3063	3639	4360	4877	5385	5955	6471	7023	7652	8210	8756	9347	9828	
687	1126	1743	2413	3066	3672	4378	4910	5418	5961	6495	7033	7699	8226	8768	9356	9854	
699	1163	1744	2486	3067	3873	4376	4913	5476	5971	6496	7048	7719	8227	8779	9360	9858	
718	1174	1784	2499	3103	3922	4412	4934	5480	6005	6571	7065	7776	8232	8795	9362	9864	

The Debentures specified above are to be redeemed for said sinking fund at **Citibank, N.A., Bond Window—2nd Floor, 111 Wall Street, New York, New York 10043,** the main offices of Citibank, N.A. in Antwerp, Belgium; Nice, France; Paris, France; Berlin, Germany; Dusseldorf, Germany; Frankfurt (Main), Germany; Hamburg, Germany; Munich, Germany; Athens, Greece; Piraeus, Greece; Thessaloniki, Greece; Milan, Italy; Rome, Italy; Amsterdam, Netherlands; Rotterdam, Netherlands; The Hague, Netherlands; Geneva, Switzerland; Lausanne, Switzerland; Lugano, Switzerland; Zurich, Switzerland; London, England; Belfast, Northern Ireland; and Dublin, Ireland; Citibank (Belgium) S.A., Brussels; Citibank (Luxembourg) S.A.; or at the office of Privatbanken i Kjobenhavn, Copenhagen, Denmark; Algemene Bank Nederland N.V., Amsterdam, Netherlands; Kredietbank S.A. Luxembourgeoise, Luxembourg; Skandinaviska Enskilda Banken, Stockholm, Sweden; Swiss Bank Corporation in Basle, Switzerland; and Deutsche Bank A.G., Frankfurt (Main), Germany, as the Company's paying agents, and will become due and payable on April 15, 1979, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on said Debentures will cease to accrue.

Said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on said date with all interest coupons maturing subsequent to the redemption date.

For COPENHAGEN TELEPHONE COMPANY, INC.
By CITIBANK, N.A.,
Trustee

March 15, 1979

هكذا من الأصل

Camp

:N THE staunchest Labour porters must have been tified by the shambles into :h their party's pre-election icity recently plummeted. ing launched its "Keep ain Labour and It Will Keep ing Better" campaign, the y promptly decided that the in looked a little ludicrous affairs—particularly on the strike front—got worse. The er advertising was abaned willy-nilly and blank around the country simply ned money from Labour's gre £100,000 publicity fund.

oubtless many members of Labour Party's election paign committee believe it to mere bad luck that the ers, which were designed researched successfully in autumn of last year, later ed to be so inappropriate. it was not bad luck. It was planning. Would *you*, the es' next campaign might ask, ust the management of your try to an organisation inble of running a small- poster campaign without dling it?

ılike the Conservative Party, the impoverished Liberal y with its tiny £20,000 poster ı, Labour has resolutely sed ever to use the services ı professional advertising cy. Instead it has always oyed committed Left-wing ən, from a galaxy of cies, acting unpaid and ly unorganised. Between and 1970, prompted initially lugh Gaiskell, Labour's proonal activities were masterled by David Kingsley, coder of the once hugely onable and successful KMP cy.

hile his efforts were by no ıs consistently crowned glory—his last sally was ill-starred Yesterday's Men political broadcast—be rtheless managed against odds to inject some order planning into an inherently tic situation. (The party's paign committee, for iple, which must approve Labour's ads, presently pers 27 members; it ins almost everyone who is ne within the Labour move- and quite a few who t.)

vid Kingsley's supreme was belatedly taken over year, to many ad-people's ishment, by Edward ı-Clibborn. Mr. Boothorn is chairman of the ential Designers and Art tors Association and a ng light in the world of ertising creativity. Neverss, he has no particular reputation as an all-round campaign manager.

The Tories are spending freely on their election advertising campaign. Winston Fletcher describes the impact of political advertising in the U.S. and Britain, and Michael Thompson-Noel examines the Tory agency's current fortunes

The persuaders prepare for the polls

Meanwhile, in the other part of the forest, the Conservatives have been running their most thorough and aggressive drive since Harold MacMillan's famous Colman Prentis and Varley campaign of 1959. Though the budget is a closely guarded secret—in any case, it will no doubt depend on the exact date of the election—it is now safe to predict that the campaign will be the most expensive in UK political history. Wincing painfully, Labour believe their opponents' spending may reach as much as £4m.

By comparison, the Conservatives' 1959 exercise cost an estimated £468,000, and was a direct descendant of Dwight D. Eisenhower's 1952 U.S. Presidential campaign. Perhaps surprisingly, the making of Ike was the first ever major democratic election in which commercial-style media advertising was used in a significant way. Political posters, of course, have littered the polls since time immemorial, and in 1936 Landon for the first time used radio spots against FDR—unsuccessfully, as it turned out. In 1948, the chairman of Colgate-Palmolive, E. H. Little, generously offered Thomas Dewey a complete, pre-packed campaign created in New York by the Ted Bates agency.

Dewey rejected the idea—and lost. The two facts may have been casually connected, or they may not, but it was a risk Ike's campaign managers were unwilling to take. They returned to the Bates agency and got chairman Rosser Reeves—then an advertising whizz-kid who also captained a U.S. chess team in Moscow—to devise the General's television commercials. Like Dewey, Eisenhower did not relish becoming a geriatric electronic huckster. Between takes he sat shaking his head, and said: "To think that an old soldier should come to this." Reeves, however, was suitably eulogistic about his own work. "If only Dewey had known these things," he boasted later about the techniques that had been used, "he would have been president."

That was puffery, and probably inaccurate puffery to boot. As knowledgeable commentators have since noted, Ike was a cast-iron certainty, which was why the Republicans chose *him*. He'd have won with or without Reeves's help; equally, Dewey would almost certainly have lost.

All dancing

Politicians worldwide, however, have never been interested in such niceties. The lessons they learned were simpler: without advertising, Dewey lost; with advertising, Ike won. Ergo, advertising wins elections. The era of high pressure, all singing and dancing political persuasion had arrived, particularly in the U.S., but on a lower key throughout the Western democratic world. Supermac's victory in 1959 followed by Kennedy's in 1960 appeared finally to clinch the argument, if any sceptics still needed convincing.

Thus prior to the 1964 UK election, first Hugh Gaitskell and then Harold Wilson were determined to deploy advertising as effectively as fashionable wisdom insisted that MacMillan and Kennedy had done. Predictably, Harold Wilson ran headlong into the difficulties which have endemically dogged all Labour's efforts: too little bread kneaded by too many cooks. Nevertheless, the eventual outcome, David Kingsley's "Let's GO with Labour and We'll Get Things Done," easily trumped the Tories' feeble "Conservatives Give You a Better Standard of Living. Keep it!"

The success of Let's GO was further evidence of the vote-pulling power of ingenious advertising. Yet since 1964—with the possible exception of President Jimmy Carter's 1976 homespun commercials—politicians and their admen, both in the U.S. and in Britain, have seemed unable to discover successful key themes and slogans with which to sway voters in their millions. Try to remember a poster from any of the last four UK general elections; they don't leap powerfully to mind.

President Carter's campaign was masterminded by one of his many longtime Georgia friends, Gerald Rafshoon, who until the advent of the peanut butterman ran a deservedly unknown advertising agency in Atlanta. Rafshoon's purported strategy for Jimmy Carter was to let him speak simply and directly to the people, very much the same strategy with which Reeves had promoted Eisenhower a quarter of a century before.

Carter's commercials depicted the candidate as an honest country lad who wouldn't recognise a dirty trick if he saw one, who spoke his mind on the issues without fear or favour (and generally without much content). The influence of Rafshoon's efforts in President Carter's victory *is* unknown, but clearly the President himself was impressed, since Rafshoon is now installed in the White House, having resigned from his own agency, charged with the task of re-polishing the President's less-than-sparkling image.

In contrast, if the recent polls are to be believed, Mrs. Thatcher's image shines bright. The extent to which this is the result of Saatchi and Saatchi Garland-Compton's now seven-month long campaign must be a matter of conjecture, though a study of voting behaviour in Illinois in 1972 showed that in a contest without television advertising, newspaper ads alone swayed 3 per cent of voters from one party to the other. What can be in little doubt is that Saatchi's work — particularly their "Cheer Up! Labour Can't Hang On Forever" 48-sheet poster — has provided a wonderfully sustaining tonic for all devoted Tory workers throughout this winter.

Above all, the Tory campaign demonstrates the benefits of employing a first-class advertising agency and directing its efforts single-mindedly. Many of the posters have been printed in one-colour only: presumably to maximise time-flexibility and minimise cost. The Tory party political broadcasts have been integrated with their advertising themes, whereas Labour's television productions and their posters are created by two wholly separate groups of people. And the Tories' cinema commercial—which is often greeted with enthusiastic applause in the movie houses—was honed and polished with all the care that good agencies customarily apply to their work and for which after-hours helpers rarely have the time or energy.

Streets ahead

Not that all of the Conservatives' efforts have been blessed with perfection. Though consistently streets ahead of Labour's, many of their party politicals have been heavy-handed and inept. It seems that there is something intrinsic to the length and form of television's authorised propaganda pieces which makes them innately clumsy.

The problem, presumably, is that compared with real commercials, they command far less cost and attention to detail per screened second so that the result, again compared with real commercials, inevitably looks cheap and flaccid.

Some of the Tory advertisements seem astonishingly verbose; none of them, except maybe the infamous "Labour Isn't Working" dole queue and its recent "Britain Isn't Getting Any Better" successor, use strikingly interesting visuals; and the poster headline, "If We Can Cut Income Tax When We're The Opposition Think What We Can Do When We're The Government," smacks of being a wordily revised version of a doubtless more succinct, if less strictly accurate, original.

Nor has Saatchi and Saatchi yet come up with a basic campaign theme nearly as strong or as memorable as CPV's 1959 "Life's Better With The Conservatives. Don't Let Labour Ruin It!", of which the recently discontinued Labour slogan was a truly feeble copy.

Nevertheless, despite the Tories' less-than-perfect publicity, as the country and Mr. Callaghan canter down the home straight towards the election there can be no question that Mrs. Thatcher's well-stocked coffers, combined with Saatchi and Saatchi's considerable expertise—particularly the agency's nimble segmentation of separate creative messages to women, young voters, trade unionists, house buyers, etc.—will help win for the Conservatives a considerable number of floating votes. As for Labour's band of devoted helpers, it looks as though it is back to the drawing board.

Winston Fletcher is managing director of Fletcher Shelton Delaney.

IT IS VIRTUALLY a year since Mrs. Thatcher and the Tories asked Saatchi and Saatchi Garland-Compton to handle their election advertising, a year which has confirmed Saatchi's as Britain's best-known agency and shown that a political account, astutely handled, need be no more of a gamble than a bar of soap or a stick of toffee.

A year ago there were some who wondered whether Saatchi's hadn't over-reached itself: whether its remorseless search for new business growth hadn't taken it out of its depth. Such fears were clearly unfounded.

During the opening days of the campaign, the agency earned considerable stick for its dole queue poster, "Labour Isn't Working," which drew an outburst from Mr. Denis Healey, who criticised what he considered the "rent-a-fake politics" of the Saatchi approach and said he thought it not at all surprising that this particular agency—specialists in promoting detergents and deodorants as he dubbed them—should have been selected to "cleanse and sweeten the image of extremism and division" created by Mrs. Thatcher and the Tories.

This proved a costly tactical mistake, winning for the Tories and the agency a windfall of publicity out of all proportion to the modest cost of the poster.

In any case, said Saatchi, the Conservatives were indeed a brand and like any other brand were looking for a bigger market share. Was that so remarkable?

Despite the hiccup of last October, the campaign has proceeded with infinite calm, winning as many kudos for Saatchis as its famous work for the Health Education Council.

Last night, at Grosvenor House, the Saatchi Press ad, "Why Every Trade Unionist Should Consider Voting Labour," was declared best-written Press advertisement of the year in the Campaign press advertising awards.

Admen are notoriously savage when attacking work they dislike; at the same time they are surprisingly generous when handing out compliments, and on virtually all fronts, the Saatchi work to date for Mrs. Thatcher and the Tories has earned it the cheers of its peers.

I has also done nothing to alienate Saatchi's roster of blue chip clients, who can be expected to be pleased if the agency's work helps Mrs. Thatcher win the election.

The Saatchi group's recent figures for the year to last September 30 showed pre-tax profits up 50 per cent at £1.874m on a turnover of £59.1m. More significantly, the annual report, stressing the growth that lies ahead, observed that new brands and new assignments had come tumbling in from existing clients such as Dunlop, Allied Breweries, Cadbury Schweppes, Proctor and Gamble, United Biscuits, Austin Morris and Rowntree Mackintosh.

MT-N.

Unilever butters up marge sales

THE SEARCH for a margarine that really does taste like butter is one that has preoccupied the alchemists of the food market for years. Whether Van den Berghs, the Unilever subsidiary, has worked the trick with Krona, its new premium quality margarine, remains to be seen, but it is confident that it has at any rate got closer than anyone before to making the breakthrough.

In terms of reproducing the butter taste, Van den Berghs says Krona's "widespread acceptance in the highly competitive yellow fats market is due to the achievement of a taste and texture that makes it *almost indistinguishable from salted butter*."

Krona has a very long way to go before its sales can challenge Van den Berghs' Stork and Stork SB brands, whose combined sales at rsp easily outgun those of Kraft, Blue Band and the Co-Op's soft margarine in a market worth well over £180m where Van den Berghs is thought to have around 50 per cent by volume.

Halfway through last year, Mintel, the market research company, said Van den Bergh's' long-time market dominance "must be related to the immensely strong consumer loyalty built up by years of consistent, if dull, advertising."

On the other hand it is clearly capable of spotting potentially lucrative opportunities, and as Krona is currently selling at around 44p per pound, or approximately two-third the current selling price of Anchor Butter, for example, it should do well. The brand has been test marketed in the Harlech and Westward TV areas since last October, where it won a claimed 10 per cent-plus of margarine sales within the first eight weeks.

A TV campaign for Krona in the London area begins March 26.

LOMBARD

Britain's high cost farmers

By JOHN CHERRINGTON

IT IS fashionable to claim that British farming is more efficient than much of that in the rest of the Community because of what is called structural efficiency; that is, British farm size is large enough to enable unit costs of production to be reduced, or at least controlled. But size is far from being the only criterion as Goliath found out to his cost. The determinant of farming efficiency to my mind has always been the amount of profit made per acre or unit of production, coupled with the farmer's own expectations and readiness to live within his means.

Investment

The Milk Marketing Board's Low Cost Production Unit has recently made a comparison between the profitability of British and Irish dairy farming which certainly underlines the first of these propositions. The survey found that at comparable price levels. Irish farmers with roughly half the herd size of their British counterparts, and with milk yields about two-thirds, were making at least double the profit per acre.

The basis of the Irish success was quite simply that they spent little or no money on labour, machinery, buildings, compound feeds or even rents. The British dairy farmers seemed to equate investment with progress, and were buying their increased production with borrowed money, on which they were finding it increasingly difficult to meet the charges.

British farming has got itself into a growing cost cycle from which even a complete devaluation of the Green £ would fail to rescue it. The fact that many farmers are still showing profits is mainly because they are farming with assets at low historic cost, and have not yet jumped on the increased investment bandwagon. The livestock sector is particularly vulnerable.

Britain's large dairy herds generally employ hired labour, which is absorbing an even greater proportion of returns. But on the Continent today the cost of labour, including social charges, is now so high that practically none is employed in dairying or other livestock units. The farmer and his family do it all and the efficiency of family farming in terms of cost containment is obvious — particularly if the individual is prepared to work on in spite of price freezing and other attempts at output control.

There is nothing inefficient about German or other part-time farming although the prices there by the accident of currency distortion are higher than elsewhere. Even if they were level with those in the rest of the Community, I doubt if it would make any difference to output. The small farmer determined to hold on to his farm is prepared to put up with a lot of stick, and tighten his belt. They farm not as a business but as a way of life.

Milk is especially favoured in the Community with a guaranteed price, but pigs and poultry have little support. Here production is almost entirely family managed because the margins are too small for any possible recoupment for labour or other traditional overheads.

Land values

In arable farming the British situation is rather better. Farms are generally large enough to cover the cost of modern implements. But here again there is a marked difference between those who are sitting on low cost land and those who have bought land at high prices or who are paying very high rents. Both these costs are theoretically within farmers' control in that their levels are set by competition between farmers.

Because of the effects of capital taxation which does not exist in most EEC countries, high land values whether for rent or purchase will certainly push up total land costs to a point at which those able to survive will be those who can manage without labour at all, labour being the only controllable cost.

If it came to a Community-wide free for all at common prices British farmers would have a job to survive, because of their massive overheads.

The need for a simpler patent system

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE GREAT patent case in which Polaroid is suing Kodak for the infringement of ten patents protecting its SX 70 instant camera and film, will come into full swing in the Patent Court in London this spring or summer. It was last heard of when the Court of Appeal allowed, on November 10, 1976, an appeal against an interim injunction which would have prevented Kodak from manufacturing and distributing in the UK its new "integral system" giving results similar to the Polaroid system. Had the Court of Appeal upheld the injunction this would have sealed the fate of Kodak's factory in Stevenage, North of London.

Assessment

The three appeal judges agreed then that there was no serious risk of Kodak driving Polaroid out of the UK market or causing irreparable damage to its business. Should Polaroid win in the end, the damage it suffered in the meantime could be easily assessed, Kodak argued, on the basis of royalties agreed between Polaroid and Kodak in connection with the licencing of another instant picture system. The Court of Appeal concluded that while there was no reason to fear that Kodak could not meet any damages that might be awarded to Polaroid in the main trial, the enforcement of the injunction might cause Kodak damage which would be almost impossible to quantify.

Another consideration which had been important was that in most countries, including the U.S., the obtaining of such an injunction prior to the main trial is practically or absolutely impossible. Kodak could argue in the Appeal Court that a prohibition to manufacture in the UK would not prevent Kodak from competing with Polaroid outside the UK. The only effect of the injunction would have been that these other markets would have to be supplied from a factory on the Continent.

Polaroid wanted to take the interlocutory proceedings to the House of Lords but was refused leave to appeal. However, its counsel took a fairly relaxed view of the likely duration of the litigation. He estimated, correctly as it now seems, that the main infringement action would not take place before 1979. He also predicted that the whole dispute might not be resolved before 1984, by which time the contested patents would have already expired. Though not immediately obvious to the onlooker, large companies may have good commercial reasons for employing their managerial manpower and legal departments in patent litigation lasting a decade. Also legal costs are tax deductable and there seem to be plenty of profits to deduct from.

* * *

TURNING TO another example, one can see that even the trial of a relatively simple case between companies which are unlikely to be so oblivious of legal costs as Polaroid and Kodak may take four weeks. Such was the case of Conder International v. Hibbing. The dispute concerned a "petrol interceptor," a device employed by filling stations and garages for the separation of overspilled petrol from drainage water as required by local authorities and various Public Health Acts.

The interceptor consists of one or several tanks into which water containing petrol is drained with the result that the lighter petrol remains on the top. The petrol and any oil can then be skimmed off while any explosive fumes are vented by a pipe leading from the space above the tank. A system of pipes remaining below the petrol level drain water either into another tank with the same function or into the soil or sewage system.

These interceptor tanks used to be constructed from bricks which either were impermeable or were rendered so with cement mortar. With the advent of plastic materials many people seem to have had the idea that the tanks could be constructed faster and more cheaply by using concrete, lined on the inside by a plastic material.

However, Conder International, which started to construct such plastic interceptor tanks embedded in concrete capable of supporting the weight of a lorry in the forecourt of a petrol station, went a step further and obtained a patent (No. 1,430,930) giving it a monopoly for the exploitation of this "invention."

Without having ever heard of the Conder product and patent, Hibbing designed a similar petrol interceptor consisting of a plastic lined concrete shell. Conder International sued Hibbing for infringement of its patent. The main claim of the patent was the replacement of bricks by plastics completely surrounded by concrete in the construction of an otherwise well-known device. After hearing witnesses Mr. Justice Graham concluded that the replacement of bricks by plastics and concrete was the obvious thing to do. As no patent can be granted for a technical advance which is obvious, he held that the claim was not valid and the whole patent and the infringement action collapsed with the claim.

* * *

IT IS comforting to note that in both cases discussed above the extremely complicated patent litigation reached conclusions which appear eminently sensible—so much so—that one is tempted to think that they could have been arrived at even without the assistance of the numerous lawyers who took part.

Another pleasing conclusion from the second case is that the English method of combining validity and infringement litigation is much more practical than the separation of the two, adopted on the German model in the European Patent Convention. Leading German patent judges are coming round to the same conclusion and there is some hope that the European Patent Convention will be applied in a way which would allow the continued combination of validity and infringement proceedings.

Complications

However, both cases also support those who think that something much simpler than the present patent system is required to encourage, and indeed sometimes make possible, technological advance. The Patents Act, 1977, though clarifying some problems did not achieve this simplification. The European Patent Convention complicated matters even further and the proposed Community Patent Convention, if adopted, may add further complications. As Lord Lloyd of Kilgerran wrote recently* the procedures associated with the patent system, European or national, must be simplified so as to minimise the costs, particularly to individual patentees and small firms. And this is precisely what the English and German judges are trying to achieve.

*In his preface to The Patents Act, 1977, by Hugh Brett. ESC Publishing.

Walwyn's Gaffer has stamina to triumph in Gold Cup

RACING

BY DOMINIC WIGAN

ONLY FULKE WALWYN'S 10-year-old The Dikler has cracked the seven- and eight-year-olds' monopoly of the Gold Cup in recent years, and it again seems probable that we shall see one of the younger generation in the winner's enclosure at about 10 minutes to four this afternoon.

Gaffer, the 3-1 market leader in most lists, seems certain to make a strong bid to become the fourth successive seven-year-old to triumph after the victories of Royal Frolic, Davy Lad and Midnight Court; while Night Nurse, a year older, will also be thereabouts, provided he gets the trip. Among the remainder, Strombolus and Diamond Edge, both eight-year-olds, strike me as the best outsiders.

Although beaten on merit by Gay Spartan at Wincanton last time out, Gaffer's performance in finishing a close second to the more experienced Gisburn chaser puts him in here with credentials second to none. There is little doubt in my mind that none of the remaining 15 going for today's Piper prize would have bettered Gaffer's two-length deficit at level weights on the Somerset course, judged on this season's sketchy form.

Night Nurse, whose run of five consecutive victories ended—again strictly on merit—when Silver Buck proved just too strong for him on the run-in to Haydock's Embassy Premier Chase Final a fortnight ago, would probably be favourite but for the state of the ground. Although he can handle the mud as well as any in the field, there is a serious question against his getting 3¼ miles (three-quarters of a mile farther than the Embassy) in such conditions.

In a race where surefootedness and stamina will be essential, I take Gaffer to add to Walwyn's already remarkable Gold Cup record.

The defeat of Corrib Chieftain in yesterday's Waterford Crystal Supreme Hurdle does not augur well for Royal Dipper in today's opener, the Daily Express Triumph Hurdle. But I still intend to stick by the Irish hurdler, who should have little to fear from a moderate bunch of home-trained four-year-olds. If he is to be beaten, fellow-raider Steel Bar will probably be responsible.

CHELTENHAM

2.30—Royal Dipper***
3.05—Spartan Missile**
3.40—Gaffer*
4.50—Ardifern

TV/Radio

✧ Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.41 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You and Me. 2.15 For Schools, Colleges. 3.30 Racing from Cheltenham. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Don and Pete. 4.25 Jackanory.

4.40 Tarzan, Lord of the Jungle.
5.00 John Craven's Newsround.
5.05 Blue Peter. 5.35 Noah and Nelly.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety-Blank.
8.30 Potter.
9.00 News.
9.25 1979 World Figure Skating Championships.
10.15 Brian Clarke: "The Story so Far"—"Omnibus" film about a young artist.
11.05 Tonight.
11.45 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Scotland—9.41-10.03 am For Schools. 5.55 pm Reporting Scotland. 6.15-6.25 Conference '79. Report of today's debate from the Scottish Liberal Party. 6.25 Join BBC 1 (Nationwide). 11.05 Thursday Night 11.45 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.45 News and Weather for Wales.

Northern Ireland—11.30-11.45 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 8.30-9.00 Spotlight. 11.05 Potter. 11.35 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
11.25 Ceefax is Here (Trade information film).
2.15 pm Racing from Cheltenham.
4.50 Open University.
6.55 When the Boat Comes In.
7.45 Mid-Evening News.
7.55 The Money Programme: How ready are the Conservatives to fight a General Election?
8.30 Malice Aforethought.
9.25 Midweek Cinema: "The Cobweb" starring Richard Widmark and Lauren Bacall.
11.25 Late News.
11.40 Open Door. Alcoholism—"An epidemic in the making."

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Danger UXB. 3.20 No Man's Land. 3.50 Oh No, It's Selwyn Froggitt. 4.20 Little House on the Prairie. 5.15 Mr. and Mrs. 5.45 News.

6.00 Thames at 6.
6.25 Help!
6.35 Crossroads.
7.00 The Bionic Woman.
8.00 Robin's Nest.
8.30 TV Eye.
9.00 World Ice Skating Championships.
10.00 News.
10.30 Inside Business.
11.00 The Thursday Film: "The Chastity Belt." Starring Tony Curtis and Monica Vitti.
12.40 am Close: A painting by Toulouse Lautrec with music by Offenbach.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 3.50 Give Us a Clue. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 10.30 Thursday Movie: "Hawaii," starring Julie Andrews and Max Von Sydow. 1.20 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 4.20 The Electric Theatre Show. 4.20 Johnny Quest. 4.50 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Format V. 11.15 Cinema Showcase: "Dirty Dingus Magee," starring Frank Sinatra.

BORDER

11.20 pm Border News. 3.50 Give Us a Clue. 5.15 Call It Macaroni. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 10.30 The Electric Theatre Show. 11.00 Power Without Glory. 11.55 Border News Summary.

CHANNEL

12.55 pm Guernsey Election For Deputies. 1.18 Channel Lunchtime News, Whats On Where and Weather. 3.50 Give Us a Clue. 5.15 Survival. 6.00 Channel News. 6.10 Link Up. 7.00 Chips. 10.28 Channel Late News. 10.32 Untamed World. 11.00 Movie Premiere: "It Couldn't Happen to a Nicer Guy." 12.20 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 3.50 The Rolf Harris Show. 4.20 Space 1999. 5.10 Nolly. 5.40 Help! 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Emergency. 10.30 England Their England. 11.00 Reflections. 11.05 Westside Medical. 12.00 Grampian Late Night Headlines.

GRANADA

1.20 pm Dodo. 3.50 Stars On Ice. 4.20 The Life and Times of Grizzly Adams. 5.10 Max the 2,000-year-old Mouse. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Fantasy Island. 10.30 What's On. 11.00 Late Night Thriller: Kim Novak in "Satan's Triangle."

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 3.50 Give Us a Clue. 4.20 Wyatt's Place. 4.45 Bailey's Bird. 5.15 pm Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 7.00 Fantasy Island. 10.35 Cinema Special: "The Two of Them."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-7.00 Report West.

SCOTTISH

1.25 pm News Headlines and Road Report. 3.50 Give Us a Clue. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Best Disco in Town. 7.30 How's Your Father. 10.30 Two + Two. 11.00 Afloat. 11.25 Late Call. 11.30 Barnaby Jones.

SOUTHERN

1.20 pm Southern News. 3.50 The Rolf Harris Show. 4.20 The Life and Times of Grizzly Adams. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Southern News Extra. 10.35 People Rule! 11.05 The New Avengers. 12.00 What The Papers Say.

TYNE TEES

9.25 am The Good Word, followed by North East News Headlines. 1.20 pm North East News and Lookaround. 3.50 Give Us a Clue. 4.20 The Beachcombers. 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Father Dear Father. 10.30 Sporting Chance. 11.00 Side Street. 12.00 Epilogue.

ULSTER

1.20 pm Lunchtime. 3.50 Give Us a Clue. 4.18 Ulster News Headlines. 4.20 The Life and Times of Grizzly Adams. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Counterpoint. 11.00 Thursday Night. 11.10 The Mary Tyler Moore Show. 11.35 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthday's. 1.20 Westward News Headlines. 3.50 Give Us a Clue. 5.15 Survival. 6.00 Westward Diary. 7.00 Chips. 10.28 Westward Late News. 10.30 Westward Report. 11.00 Movie Premiere: "It Couldn't Happen To A Nicer Guy." 12.20 am Faith For Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.50 Give Us a Clue. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Father, Dear Father. 10.30 Pro-Celebrity Darts. 11.00 Fantasy Island.

F.T. CROSSWORD PUZZLE No. 3,922

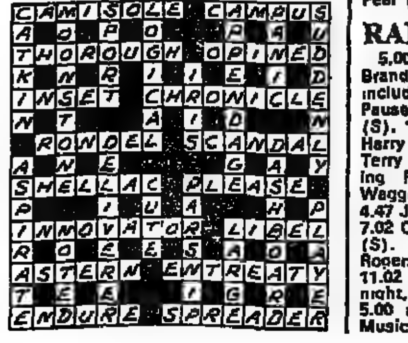
ACROSS

1 Apple or other fruit going to sea (8)
5 I must appear in business with a string of invective (6)
10 Sir loses his head in the dark (5)
11 A view on promissory notes could be amusing (9)
12 This month one crowd foment (9)
13 The bird is well under par of course (5)
14 Assistant vicar and dog dined (6)
15 Four or six in test but it's of little importance (7)
18 Fish going to French sea could be attractive (7)
20 Attempt to dine inside in negotiation (6)
22 Sailors accept greeting from bird (5)
24 Give additional support to curb group of soldiers (9)
25 Anticipation for eastern flavour (9)
26 Join it in French article (5)
27 Desire soldiers to follow in brightness (6)
28 Don't go and support a course of conduct (4, 4)

DOWN

1 Learned man, and mine's outside (6)
2 Argonauts could become bitter! (9)
3 Fabulous creature—Cyclops was one (8, 7)
4 Blow up in living-quarters to the east (7)
6 Queueing up for work? It is expected of one! (2, 3, 4, 2, 4)
7 Amidst my French in silver (5)
8 It blows cold but it's going west (8)
9 Modulation of the voice from airman with money (6)
16 Formal meeting to bury picture (9)
17 Contemptuous Pole with something hackneyed and not quite full (8)
19 The most excellent soldiers take a breather (6)
20 I'd appear in river fork (7)
21 Unusual cure from my deer? (6)
23 Six right on us in venom (5)

Solution to Puzzle No. 3,921



Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast.
‡ Medium wave.

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 David Hamilton (S), including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Harry Rowell's Open House (S). 2.03 Terry Wogan's Racing Special, including Racing from Cheltenham. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The Ted Rogers Show. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 Newsroom. 2.02-5.00 am You and the Night and the Music with Sheila Tracy (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Haydn (S). 9.55 Concert Club (S). 10.40 The Tisseran Harpsichord of 1710 (S). 11.20 BBC Welsh Symphony Orchestra concert, part 1 (S). 12.00 Interval Reading. 12.05 pm Concert, part 2. 1.00 News. 1.05 Bradford Midday Concert (S). 2.00 Intimate Letters (S). 2.30 "L'Italiana in Algeri," comic opera in two acts by Rossini, Act 1 (S). 3.30 Words . . . (talk). 3.35 "L'Italiana in Algeri," Act 2 (S). 4.40 Rostrum 78 (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound (continued). ‡6.15 At Home: Concert. 7.15 Mind, Matter and Mechanism. 8.00 Solti and Ashkenazy concert, part 1: Weber, Bartok (S). 8.40 Arabs and the Iranian Revolution (talk by Peter Mansfield). 9.00 Concert part 2: Tchaikovsky (S). 10.05 Drama Now. 10.40 Frans Bruggen recorder and flute recital (S). 11.10 The Lied before Schubert (S). 11.55-12.00 News.

VHF ONLY—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today: Magazine, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-week with Desmond Wilcox. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 Analysis: Oil. 11.45 Listen With Mother. 12.00 News. 12.02 pm You And Yours. 12.27 Just A Minute (S). 12.55 Weather: programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Preview. 3.10 Questions to the Prime Minister. 3.25 Afternoon Theatre. 4.35 Story Time. 5.00 PM. News magazine. 5.50 Shipping forecast. 5.55 Weather: programme news. 6.00 News. 6.30 Brain Of Britain (S). 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 "Under The Volcano" (S). 9.25 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today In Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 78. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05 As Radio 2.

THE ARTS

cord Review

Two Otellos by MAX LOPPERT

Placido Domingo

li Otello:
:arlo Cossutta, Margaret 'rice, Gabriel Bacquier, 'eter Dvorsky, Jane Berbié, tc./Vienna Boys Choir, 'ienna State Opera Chorus Vienna Philharmonic/Solti. lecca D102D 3 (3 records) 12.75
'lacido Domingo, Renata cotto, Sherrill Milnes, Jean :raft, etc./Ambrosian Opera horus and Boys Chorus/ lational Philharmonic/ evine. RCA RL02951 (3) 3 records) £12.75

iese days, it seems, Verdi a recordings come not e spies, but in battalions. t Otello, the grandest of i all, the hardest of all to a candidate for its once-in-y-generation title role, has ıtly been issued in double ; Decca set conducted by g Solti was published late 978, the James Levine RCA arly this year. Both mirror, minor variable elements in :asting, productions led by conductors in the last few i, Solti in Paris, Levine in York; neither features the house orchestra or chorus nal to those live perfor-es. (There must be strong cial reasons why these ps couldn't be made at the a and at the Metropolitan. it seems to me a pity; all ame; whatever the quality he orchestral forces here oyed — and it is high — nal degrees of involvement invariably accompany a performance are missing). ce Toscanini left his ible mark on the opera, it ecome customary to review the contribution of the con-r in any appraisal of a new o. But for many the at" of these recordings will be Placido Domingo's Othello. The singing is mostly magnificent: the voice pours out, full, shining, true, unstrained by all but the most heroic climaxes (a note or two near the close of "Si, pel ciel" thins out a little). So boldly and freely does he attack his music that gratitude for such vocal generosity should perhaps stay further criticism.

But Othello is the peak of the Italian tenor repertory, and on the gramophone there is a store of greatness by which Domingo must be measured. He feels the drama strongly—we recognise that in the power and passionate colouring of the tone massed at crucial moments (and, less happily, in the verismo distortions of the repeated A flats into which he has been unwisely tempted from bar 12 of the Monologue). By Martinelli standards, such manifestation of feeling seldom achieves a combustion of tone and word. The phrases of "Ora e per sempre," sturdily declaimed, don't flash past as a procession of brilliant images; in each utterance of the word "fazzoletto," there is no barometer of the drama. Carlo Cossutta, for Solti, less prodigal of voice, less even-toned, as a whole a less remarkable (if still very attractive) singer, is sometimes more sensitive to the text. And sometimes his Othello is more moving, in its frank, dignified, honest way. Common to both tenors are the elegant execution of turns, and generally, a cleanness of vocal execution—the ranting and bellowing of thick-voiced provincial Othellos is very far away.

Comparisons between the Iagos and Desdemonas afford interesting contrasts. Some have found Gabriel Bacquier (Decca) an unusually subtle and distinctive villain, a view one can respect—as one respects the singer's intelligence and resourcefulness in expertly husbanding a voice no longer fully sufficient to the part—while yet regretting how frequently insufficiency betrays intelligence, how often the sound is hoarse, thin, raw, or unsteady when a quick, Lucifer-like suggestiveness was the clear intention of its purveyor. Sherrill Milnes' Iago for RCA has, I feel, been underrated, a natural consequence of the singer's over-exposure on records. His respect for note values, regard for markings (nice differentiation of vertical and horizontal accents and degrees of staccato and legato), care over details of Italian enunciation bespeak an intelligence no less active than Bacquier's. If the full portrait misses ultimate individuality, there is still much that is keenly thought out, and stated with force and dexterity. Both Iagos bray out a few unworthy bars of manic laughter after the final climax of the Credo.

Of all the principals, one stands out for dramatic and musical eloquence. Renata Scotto, Levine's Desdemona, sings with Callas-like intensity—Callas-like in focusing verbal meaning, in the fervent beauty of most phrases and in the curdled, squally quality of a few. She has not the ability of Solti's Margaret Price to purl out with serene, radiant tone the long lines of duet, quartet, and ensemble, to remind us that Desdemona's glow of innocence expresses itself in the absolutely even rise and fall of intervals. But she possesses what the Welsh soprano so signally lacks: warmth of personality strength of musical character, a decisiveness in the emission of every note. RCA's supporting cast is, except for Paul Plishka's imposing Lodovico, inadequate where Decca's is mostly well taken—Jane Berbié's Emilia is touching, Peter Dvorsky's Cassio very elegant.

And so to the conductors. Both might be thought of as "school of Toscanini"; when we return to *his* version of the opera (currently out of the catalogue), we find that the reading, even more tremendous than we may have remembered it to be, is propelled by a rhythmic sense that marries unabated urgency to lightness of accent. The slamming home of points, the relentless drive, the over-emphatic articulation of repeated figures that Levine encourages are not truly Toscaninian—not, at least, in *Otello*. Neither are extremes of pace; Levine at his fastest is faster, and at his slowest much slower, than Toscanini. The new RCA is a very dramatic performance, played by the National Philharmonic with superlative precision and lucidity. Though in the strings there may be an ounce of Vienna sweetness wanting, winds and brass speak more forwardly; the placing of the flutes under Desdemona's dying words is a marvel of exact weighting. Only the undernourished, undercharacterised chorus fail Levine—that, and a dry, dull recording, confusing in its relation of voices to instruments, limited in range. (In addition, my set was horridly spattered with hiss, crackle, bump, and thud.)

Levine's account of the opera is in many ways reminiscent of Solti's at Covent Garden in the late 60s and early 70s. The latter's *Otello* is now less hard-driven. It conveys the shape of whole acts as well as the impetus of individual phrases and paragraphs; it is bigger, steadier, more temperate without the exaggerated orchestral fancies (and the cuts) of the later Karajan or the eccentricities of Barbirolli. It is not, however, one of Solti's most accurately played opera recordings. Moments of ever-so-slightly-awry ensemble that wouldn't be noticed in the theatre prove an annoyance on repeated hearings; a parting of the ways 13 bars from the end should have been set right. The chorus is very fine. The recording combines fullness, clarity, and atmospheric reverberance; everything is audible, nothing is unduly emphasised. A pity about those bursts of thunder and clinks of glass in the Brindisi. No clear preferences, then (except, once again, for Toscanini): RCA for singers and orchestra. Decca for Solti and recording might be an extreme summing-up.


Jo Thomas in "Bubbly"

k of the Town

The Drifters by ANTONY THORNCROFT

ıe Talk of the Town is ty one this year. How many h parties from Dagenham, e raincoated Danes, be-:d Japanese and determined gations from Eastern ope have chewed through steak and sunk the house and gazed at the most speclar that London has to offer ie way of cabaret and wond. With its coming of age Talk of the Town has bee a curiosity, a place to be 'ed with affection because of longevity and the strange ts to be observed there, in-ably in the audience, rather ı to be criticised.

I wanted to bite the hand fed me I could say that the floor show "Bubbly," all),000 worth of it, which opened this week, is a sham, the same legs and head-dress, with probably the same girls in between, the same sounding songs, the same absence of any Parisian naughtiness or Las Vegas nonsense. It is as bland as bread and milk and even the grand climax, bubbles bursting from champagne glasses (courtesy and plug for Möet) on an uplifted tableau, seemed tamer than the finale of the previous show, a gushing oil well. But with a theme of night spots of the world no new demands were placed on either singers or dancers—nor on the costumes department, which must have coped with a lot of re-stitching. Even a disco scene looked curiously wooden, and for the rest it was all our yesterdays.

After a decent pause to digest the predigested it was time for the Drifters, who are appropriately celebrating their twenty-fifth year in show business. All the originals apart from lead singer Johnny Moore drifted on years ago but he still sweetly croons some of the most amiable pop of the generation. The Drifters hits are better known than they are, and you can be pleasantly lulled with "Saturday night at the movies," "Save the last dance for me," "Kissing in the back row," and all those other memories of teenage innocence. The Drifters are as dated as the revue, but there is charm and musicianship, if a lack of bite, in their changeless routine.

Wigmore Hall

James Kreger by NICHOLAS KENYON

In many ways, the American cellist James Kreger (who made his London debut on Tuesday at the Wigmore Hall) is a marvel. His command of the instrument is sure, his articulation precise, his range of expression bold yet well-controlled. In particular, his variation of weight and vibrato is managed with quite exceptional skill: in Beethoven's only full-scale slow movement for the cello, that in the Op 102 No 2 Sontata, Kreger began with an unearthly, grey, vibratoless *sotto voce*, only gradually building up the depth of tone.

These are technical points, however; in communicating the meaning of the music he played Kreger was less of a success. The finale of that Beethoven Sonata, for instance, demands a pointed wit, however aggressively it is interpreted (the lead-in is a version of the First Symphony finale joke) — but Kreger ploughed through it with the single-mindedness of one looking neither to right nor to left, who could not stop to see any real humanity in the music.

So it was with the *cantabile* movements he played: a silly fragment of Tartini to begin, and a more substantial and worthwhile Schumann Adagio and Allegro later. They sang for all they were worth, and nobly; but they rarely breathed or smiled.

Kreger had most success with the one American work he brought with him: Samuel Barber's vigorous and inventive Cello Sonata of 1936. This music's open-air toughness and heavy rhythmic activity suited Kreger's seriously extrovert manner, and he characterised the first movement's leaping themes and the second movement's framing Adagio with a clarity which at last made the music speak. Often, though, I found my attention drawn to his superb accompanist, Ursula Oppens (who has visited this country with the ensemble Speculum Musicae); her relaxed, responsive style achieved just what Kreger missed through intensity of effort.

Riverside Studios

The Albion River Hymn by MICHAEL COVENEY

These riparian follies have been devised by the actress Mary Miller, who also appears, and Ashley Hutchings, a bass guitarist with the Albion String Band, five of whose pool of members make up the orchestra. It is a pleasant enough diversion, just about worth the week's showing it gets, but hardly an entertainment that answers its own most pertinent question: whatever happened to life on London's river?

The nearest we come to a discussion of the marina projects of the past decade is a whimsical reference to the development of Fred Karno's stomping ground by an ill-fated American enterprise in 1971. The history of the shipping industry, let alone the sad decline of wharves and dockland, is ignored in preference for nostalgic quotations from *The Wind in the Willows*, Lewis Carroll and a Radio Times account of 1927 reminding us how the London populace once upon a time fought for places on the bank to watch the Varsity boat race.

There is little telling organisation of the material, although it is nice to learn that a salmon was not spotted in the Thames between 1843 and 1974. Other gems include Horace Walpole's lilting description of Strawberry Hill, a jovial account of Edwardian Henley fashions and the quarrel between Berks. and Bucks. as to what material should constitute the bridge at Datchet. I resisted an invitation to join in the "Eton Boating Song."

The music is splendid as sung by that enchanting survivor from the early folk rock days, Maddy Prior. And Miss Miller is given accomplished acting support by James Bree and Terrence Hardiman. The overall effect, though, is of a primitive, incoherent lecture with regular sweeteners.

Arts news in brief

The Arts Council has agreed to make nine grants to increase the value of literature prizes. It was announced in June, 1978, that the trustees of any literature prizes could apply for grants to enable their value to be increased to a limit of £1,000. The nine grants now being made include money for administration and fees to judges as well as increasing the value of the prize.

A grant of £950 has been made to the Hawthornden Prize Fund and one of £900 has been made to the John Llewelyn Rhys Memorial Prize. The Winifred Holtby Memorial Prize receives a grant of £700 and the Tom-Gallon Trust Award gets a grant of £575.

Grants of £500 have been made to four prizes: the W. S. Heinemann Bequests, the John Creasey First Novel Award, the Crime Writers Association Non-Fiction Prize and the Geoffrey Faber Memorial Prize.

*

The 21st Annual W. H. Smith Literary Award has just been won by Mark Girouard for his social and architectural history *Life in the English Country House* (Yale University Press, £10).

The cheque for £2,500 was presented to him at a luncheon in Strand House by Lord Gibson, chairman of the National Trust. The judges were Rupert Hart-Davis, Christopher Ricks and Janet Adam Smith.

Hampstead

Normal Service by B. A. YOUNG


Leonard Burt
Leonard Maguire and Bernard Hill

Normal Service draws on another stretch of John Byrne's life-story. Mr. Byrne's first job was in a carpet-factory, and it gave us *The Slab Boys; Writer's Cramp*, I suspect, comes from later experiences. In 1964, after five years at art school, he worked as a graphic artist at Scottish Television; and here we are in the Design Room of Caledonian Television in 1963, where I take it poor useless Michael, fresh from art school, must be Mr. Byrne's idea of how he impressed his colleagues.

Threads of plot run through the evening, hardly discernable until they are collected into an effective climax at the end. But the particular joy of the play is the marvellous anthology of office disasters experienced by the eight vividly drawn characters working in and around the Design Room designed with lovely proliferation of squalid detail by Sue Plummer.

They are a marvellous assembly—Wilf, the deaf old engineer endlessly trying to mend a press with borrowed tools intended for some different function (Leonard Maguire); Ferdie Jaquenelli, so convinced that the Jaquenellis fought at Flodden that he leads an office revolt against the decision of his boss Peter to put an exploding haggis into a programme (Bernard Hill); Murray, leaving at the end of the week (Roy Hanlon); Max with his half-digested culture; Bruce with a kilt and a solid English accent (Nick Stringer).

At opposite ends of the community are Peter (Garfield Morgan), exercising his unstable authority over his staff, and Michael (Brian Pettifer), desperately slow, and so silly that when (offstage, alas) he is trapped in the film-library because the catwalk has fallen into the car-park, he signals for help by burning a valuable roll of captions. The only design work we ever see is the preparation of captions with a wornout Letraset sheet lacking i's, e's and r's (difficult when it comes to announcing *Cliff Bennett* and the Rebel Rousers). Spirits are dubiously maintained with endless coffee and tea brought by the pregnant secretary Ishbel (Virginia Stark).

While Mr. Byrne tickles us with imaginative chaos that suggests total recall on his part, he subtly leads us to the dual climax where Michael, his wife having had a baby, becomes fighting drunk (the process represented by Mr. Pettifer with unusual finesse), and Murray, expecting next day to fly to Canada with his wife, learns as he is due to receve his farewell present that she has flown to Miami with a colleague instead.

Alan Dossor, the director, is particularly good with plays of this kind, switching the emphasis from one character to another with a just understanding of where the emphasis must fall in scenes in which there is comparatively little range of importance between them. *Normal Service* is a complete success, very funny, and very human.

Festival Hall

Bartok by MAX LOPPERT

Given in the concert hall, Bartok's opera *Bluebeard's Castle* evades one set of performance problems, only to tempt another. It is a difficult work to stage successfully—the limited amount of stage action, the need for a vividly picturesque realisation of its complicated scenic requirements, and the levels of symbolic significance beneath the progress of the plot all set tests for the unwary producer, and traps for the too ambitious. In the concert hall, mind and inner ear conspire to solve all such problems; but in the concert hall, especially in one with the dry sound of the Festival Hall, balance between singers and a large orchestra no longer submerged in a theatre pit is not always comfortably achieved.

Such a balance was not comfortably maintained during Tuesday night's concert performance, in which the London Philharmonic Orchestra was conducted by Georg Solti. From my seat Judith, in the comely person of Sylvia Sass, was often inaudible; Bluebeard, the imposing Hungarian bass Kolos Kovats, fared better, though even he was apt to be submerged in full orchestral flood. It was partly the fault of the location. Partly it was one of miscasting—Miss Sass, though her fine-pointed soprano did delicate and sensitive things in higher-lying lines (aided by diction a good deal clearer in her native language than it has been in Italian opera at Covent Garden), lacked the weight of tone for the downward-curving phrases in which Judith so beautifully introduces herself.

And partly—a larger "partly" than the others, perhaps—it was the fault of Solti, whose heavily emotional conducting was in the vein of some Royal Opera performance of a decade or so ago, a vein he appeared more recently to have eschewed. Climaxes were big (the door to Bluebeard's domain slammed open in huge, brazen sonorities). Phrasing was charged. Textures were rich, not luminous. There was much "spotlit" orchestral detail;—colours were brightly, not subtly mixed. It was a performance that succeeded—strongly and brilliantly—on one dimension, leaving other dimensions of the music and of the music-drama unrealised.

It was not a concert to present Solti as the protean interpreter of Bartok that he has sometimes seemed to be in the past. The companion to *Bluebeard* was the Concerto for Orchestra, which opened the concert. The first page of its score, shaped with exquisite care (the *divisi* string tremolos soft and mysterious as I have seldom heard them), promised a romantic view of music too often ripped and roistered through. But when that page was turned, the playing became prosaic, the transition from tempo to tempo went stiff-jointed, and romance evaporated.

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Half-way to peace

ALTHOUGH THE details of the proposals hammered out in Cairo and Jerusalem during the past few days have not yet been publicly revealed, it now looks very much as if a peace treaty between Israel and Egypt will be formally approved by their two governments in the next few days. The Israeli Cabinet went part of the way towards such an approval yesterday, and is expected to complete the process later this week: the Egyptian cabinet is due to discuss the peace treaty today. In the Knesset, Mr. Menahem Begin must expect to face violent heckling from extreme nationalists, and one cannot discount similar opposition to the treaty from their counterparts in Egypt. But it seems unlikely that anything can now prevent signature and ratification of a peace treaty.

Unanswered

This is a major development, bringing to fruition, as it does, at least part of the peace process which was launched 16 months ago by President Sadat's historic visit to Jerusalem. Viewed in isolation, a peace treaty between Israel and Egypt will also be a major step forward: the unanswered question at this stage is whether it will provide the corner stone for a broader Middle East settlement, as President Carter has claimed, or whether in practice it will make that broader settlement more difficult to attain.

An analogous question mark may well be placed against the significance of these negotiations for President Carter's standing, at home and abroad. Ever since the Camp David meeting last autumn, Mr. Carter has been deeply committed to making a success of the Israeli-Egyptian negotiations, and he laid this commitment on the line, in the most dramatic and potentially dangerous way, by his diplomatic shuttle between Cairo and Jerusalem. In the short term, the danger of failure has been averted, and his personal success is the more dramatic.

In the process, however, he has risked alienating those Arab countries — and they include almost all the leading members of the Arab world—which have dissociated themselves from the Camp David agreements. The hostility of hard-line countries like Iraq was, of course, only to be expected, but it must be disturbing to the U.S. Administration that it has failed to prevent even moderate, pro-American states like Saudi Arabia from falling in, however reluctantly, behind the "rejectionists."

Prestige

Nor is it merely a question of American prestige and influence in the Middle East, though there can be little doubt that it has suffered a severe blow in the aftermath of the downfall of the Shah of Iran. Just as important is the danger of serious dissension between the Arab countries and even, in the last analysis, the danger that the Israeli-Egyptian agreement may provoke instability where it was meant to bring peace.

In line with the rejectionist summit held last November in Baghdad, the Iraqi government has already called for a meeting of Arab governments to discuss sanctions against Egypt, and it would be foolish to dismiss this as merely another example of Arab quarrelsomeness. The Egyptian economy may not be vulnerable to an oil embargo, since it is self-sufficient in oil, but it is heavily dependent on financial assistance from the big Arab oil producers. No doubt most Egyptians want peace; but it is difficult to be confident that there will not be a backlash from those who are uneasy with a peace which alienates them from most of the rest of the Arab world.

Perhaps the Gulf States will not cut off funds for Egypt: if they do, the U.S. could find itself having to make good the shortfall, and thus becoming deeply identified with the regime of President Sadat. After Iran, the U.S. must be only too conscious of the dangers of such identification.

Goodwill

that the Camp David agreements offered no solution to the problems of the Golan Heights and East Jerusalem, while the provisions for the West Bank were left contingent on further negotiations and on a large amount of faith in Israeli goodwill. The peace treaty now on the verge of signature will only be a step in the right direction if the Israelis can demonstrate that faith is justified.

Mr. Healey's 'neutrality'

GOVERNMENT continues to become somewhat more open, though not necessarily more informative. It is not many years since a pre-Budget briefing by a Chancellor on his strategy, with some reasonably clear hints about tax changes, would have been unthinkable; but as economic discussion has become more widespread and better informed, the idea that the Red Box is full of total surprises has gone out of fashion. Mr. Healey felt able yesterday to give his backbenchers a fairly full briefing on strategy. Unfortunately the terms he was using are, in present circumstances, ambiguous enough to preserve a good deal of mystery.

The one hard figure in his briefing was not new: he repeated again his commitment to limit public sector borrowing next year to £8½bn, thus surely removing any lingering doubts about his commitment to that figure, however it may be reached. He also took the opportunity to eat some of his former words about the need to offset excessive wage increases with a fiscal squeeze: he now prefers to present his strategy as one of fiscal neutrality. What is not clear is whether this is a difference of policy, or of semantics.

Fashionable demand

A neutral budget is a fashionable demand at the moment. Both the CBI and the National Institute, for example, have recently called for such an approach. The CBI was perfectly clear about what this would mean: if tax allowances were indexed, as is fairly automatic under the Rooker-Wise amendment to last year's Finance Act, the borrowing requirement would come out at about £8½bn.

Similar though somewhat less optimistic forecasts have been published in the City; but some weeks ago, at least Whitehall thought this forecast to be too optimistic. The view there was that if allowances were adjusted, and no other changes made, the borrowing requirement would be £1½-£2bn higher than the Chancellor has promised.

That gap may now have been closed by the somewhat niggardly adjustment of cash limits in light of recent increases in costs—a pressure for economy which is entirely welcome; but it seems that a gap may still remain. Mr. Healey talked of the need to raise some other taxes to pay for the "concession" of higher personal allowances. But in real terms Rooker-Wise is not a cut; it is designedt o prevent unplanned increases in the real tax burden due to the fiscal drag of inflation. Mr. Healey could be planning a covert tax increase, presented as a cut or a neutral stance.

This presentation trick is a bad old Treasury tradition, and if Mr. Healey is to be condmened for it, many previous Chancellors should join him in the dock. What counts is the strategy behind it, and this in some way marks a considerable advance in understanding in the last 12 months. He no longer talks of fiscal stimulus on top of a sharp rise in real consumer incomes; on the contrary, he warned his backbenchers that such a stimulus would simply damage the balance of payments and drive up interest rates. This sounds very like our own account of what has actually happened in the last year. The change in outlook is certainly in the right direction.

Unfortunately it does not seem to have gone far enough. The Bank of England Bulletin, published yesterday, put the real priorities much more clearly: the rise in public sector costs and in real incomes calls for cuts in public spending plans.

It is a great pity that the Government does not feel secure enough to admit that the increase in real spending planned in the White Paper is nonsense in the circumstances which have emerged since, and is therefore limited to the cuts which can be made by stealth.

Too burdensome

The twin illusions about "neutrality" and "stimulus" carry a further price: the Government is not only inhibited from admitting openly that its spending plans are too burdensome, but that the planned borrowing requirement is still excessive. This year's troubles have been caused by the need to borrow about £8bn. Borrowing £8½bn next year would afford very little relief, even allowing for the more rapid growth of money incomes; and it remains to be seen how far this figure allows for pay settlements still to come from Professor Clegg and his comparators. The stance looks somewhat more sensible than last year; but it seems that real improvement is too much to hope for in an election year.

The big leasing way to lower Corporation Tax

BY MICHAEL LAFFERTY, Banking Correspondent

LEASING is the most remarkable phenomenon to hit the British financial scene since the growth of secondary banking in the late 1960s. Already it is very big business, and it is still growing rapidly. Virtually all the banks operating in London are now believed to be in the market.Also a growing number of industrial and commercial companies—most of them unexpected household names such as Mothercare and Tesco—are entering the business as lessors, primarily with the objective of "sheltering" their profits from Corporation Tax. In between is an array of lease brokers, managers and advisers—mainly drawn from the money broking and merchant banking communities. With so much City expertise around it has become a highly sophisticated industry.

The essence of leasing is a division between the use and the ownership of assets—be they cars, factory equipment, aircraft, ships or "catcrackers" for the oil industry. The people providing the finance to purchase leased assets—the lessors—have legal title to the goods. With legal title comes the right to all the tax allowances available under the UK tax system. Since 1972, this has meant the right to claim tax relief for 100 per cent of the cost of assets in the year of their purchase.

Taxable profits

Clearly, this is a great incentive for all businesses with taxable profits to take advantage of leasing. Most outstanding here, of course are the clearing banks with subsidiaries like Lombard North Central, Mercantile Credit, Forward Trust and Lloyds Leasing which currently dominate the financial sector of the market. The clearers have seen leasing as a convenient way of obtaining some benefit from a tax system primarily designed to favour manufacturing industry. It seems highly likely that they have considerably reduced, if not largely eliminated, their UK mainstream Corporation Tax liabilities as a result.

The statistics of the Equipment Leasing Association, an organisation which now claims to account for more than 80 per cent of the UK leasing market give some idea of the growth of leasing in the present decade. In 1971 annual leasing "written" by ELA members was only £159m. By 1976 the figure had risen to £421m, but was still insignificant as a proportion of total industry spending on capital goods. In 1977, however, ELA members achieved real business growth of 50 per cent, and last year activity went through the roof with total equipment leased rising from £675m to £1.2bn—a real growth rate of 67 per cent. To put this in full perspective it is necessary to recall that spending of UK manufacturing industry on plant and equipment in 1978 was little changed on that five years ago. Mr. Tom Clark, chairman of the ELA, calculates that leasing by his members accounted for some 12 per cent of the capital expenditure by manufacturing, distribution, and other relevant industries in 1978. This compares with 7.8 per cent the previous year.

But not everyone in the industry agrees with the ELA's figures. Mr. Graham Hill, a director of Hambros Leasing, reckons that industrial and commercial-based lessor activity could be somewhere between £500m and £1bn. Mr. Gavin Likely, a director of Morgan Grenfell's leasing subsidiary, thinks £500m is nearer the mark, but he believes that at the most only half this market has yet "been tapped." Mr. Robert Hawkins, editor of "Leasing Digest," suggests that the total amount of leasing currently written in the UK is around the £2½bn mark—and £2bn at the very least.

The truth is that nobody really knows. So much activity is going on, with more and more lessors entering the market every month, that it is impossible to judge. What everyone is agreed on is that leasing finance is now a major source of medium-term finance for British industry, and is growing more important every year. People in the industry reckon on real growth this year of at least 20 per cent, but it could be a lot more. By 1985, on current growth rates, leasing could account for as much as 35 per cent of capital expenditure by manufacturing and other industries.

The question is how long the present boom will last. An insight into the thinking of the Big Four clearing banks about the future of leasing came in this year's batch of accounts. Lloyds, the first to report, made no provision for deferred tax on its "big ticket" (high priced capital equipment) leasing business. This was justified on the grounds that the bank would be able to go on developing the business in the foreseeable future and was not involved in the more vulnerable area of car leasing. Barclays and National Westminster, the next to publish figures, were a little more cautious about car leasing. Both provided in full for a possible clawback of all capital allowances arising from car leasing. Finally, there was the Midland Bank, which decided to provide in full for deferred tax on all its leasing business. Was this not being a bit overcautious? Mr. Stuart Graham, one of Midland's two chief general managers, simply says: "Something might happen. There might be a change in the law."

Certainly if something does happen to restrict the growth of leasing in the UK, Midland's decision will be justified. Two years from now the other banks might find themselves having to pay taxes on business already done for which no deferred tax has yet been provided.

Car leasing is judged by many in the industry to be most vulnerable to legislative changes. In 1978 cars leased by members of the ELA accounted for £343m worth of business—more than six times the amount done by them in 1977. The most likely area for action is said to be the "£5,000 anomoly." This refers to the position under which leasing companies can obtain 100 per cent tax relief for the cost of cars, whereas the relief available to industrial companies owning their own cars is limited to 25 per cent a year, with an overall write-off ceiling of £1,250 for each car.

But could the Government change the present overall capital allowances system that easily? Many people involved in leasing doubt it because leasing is now so great a part of the corporate financial system. The longer the present tax system continues the more difficult it will be to disentangle leasing.

The advantages to lessee companies of leasing plant and equipment depend largely on the circumstances of individual businesses.

Companies which have already offset all their mainstream tax liability are still able to take advantage through leasing, of the Government's investment incentives. Leasing may also be seen as an additional source of funds outside the conventional banking system. Payments can be tailor-made to suit the requirements of individual cases, with the result that the lessee has the certainty of knowing his commitments from the start to the end of the lease.

Another advantage which the industry prefers to play down is the facility leasing offers for so-called off-balance sheet finance. In other words, because a lessee company does not own leased assets it does not feel obliged to account for the "reality" of the leasing transactions. Instead of treating the asset as part of its own fixed assets, with the related borrowing shown as a liability—known as capitalisation — the normal practice is simply to treat lease payments as an expense when they arise. Not surprisingly, lessors are against capitalisation, fearing it may only encourage the Government and the Inland Revenue to alter the tax system to give allowances to the lessee direct. The accounting profession has been debating the question for two years, but is stil a long way from an accounting standard on leasing, for both lessors and lessees.

Controversial aspect

The area of industrial and commercial lessors is possibly the least known but the most controversial aspect of leasing today. The companies involved generally have large taxable profits and utilise leasing to shelter the profits from Corporation Tax. Companies involved include leading High Street retailers, insurance brokers, some manufacturing companies, and just about any other business in the fortunate position of having to pay mainstream tax. (Advance Corporation Tax, payable on all dividend payments, cannot be sheltered.)

Norwich Union, the insurance group, is in the business and is also an ELA member. Currently it writes £15m to £20m a year of leasing, generally for larger items of equipment. Ladbrokes, the gaming concern, is another prominent company in leasing. Over the past few years it claims to have written between £12m and £14m of leasing. Business has gone so well that Ladbrokes now runs its own lessor business, whereas it used to rely on outside banks for advice. By the end of the year Ladbrokes should be in a position to act as a lease broker in its own right, says Mr. Derek Sate, its finance director.

Marks and Spencer is another company running its own lessor arrangements. It started off at the end of 1977, for the simple reason that it can get a better return from leasing than putting its surplus cash into the money market. In the first year M. and S. limited itself to a mere £2½m of leasing, but it is now expanding the business. Lord Lew Grade's Associated Communications Corporation (formerly ATV) is into leasing in a modest way, but "only to the extent that we have UK taxable profits." Last year ACC wrote £2m in leases. Hogg Robinson, the insurance broking company, is another example of a lessor from outside the banking sector. Currently it writes around £3m a year, depending on the extent of the broking business's taxable profits.

GKN the large Midlands engineering group, is the only industrial lessor which is a member of the Equipment Leasing Association. It leases to outside companies £8m worth of its vending machines a year. In effect it is converting stock into fixed assets which qualify for 100 per cent tax relief. Overall, however, GKN says it is not in a mainstream corporation tax paying-position in the UK.

Growing band of brokers

Primarily serving the industrial/commercial lessor market is a growing band of lease brokers. All the leading money brokers are involved in this business, which boils down to marrying up companies with taxable capacity which want to obtain leasing shelter with lessees wanting the use of new equipment. The local authorities for example form one of the main groups served by the money brokers. Equipment leased here generally includes motor vehicles, and computers — but school equipment, a marina and even plastic dustbins are said to have been leased.

The leading merchant banks have also become intermediaries of a more sophisticated variety. Here names like Hambros, Morgan Grenfell and Kleinwort Benson provide leasing management and advisory services in addition to the basic link-up of lessors and lessees. Hambros, for example, will form a leasing subsidiary for the lessors, and manage it from beginning to end at its own offices in the City.

Currently it has 15 such management contracts, including names like Mothercare, F. W. Woolworth, and British Home Stores on its notice board of registered offices.

Hambros limits itself to companies with substantial tax shelter, defined as those with ongoing taxable profits in excess of £5m a year. The bank refuses to give a figure for the amount of leasing business going through its hands, beyond saying that it runs into "tens of millions."

Morgan Grenfell is not so coy. Last year it handled leasing for assets worth more than £50m.

Uncontrolled growth

A number of the banks believe there are dangers in the uncontrolled growth of industrial/commercial lessor activity. Among the clearing banks, Midland is now widely known to be concerned and to have expressed this to the Bank of England at a meeting some months ago. This comes as no surprise to some of those in the industry. "We know that Midland is not at all that keen about companies other than banks engaging in leasing, commented one merchant banker, adding that he had sympathy for Midland's worries about the dangers of allowing non-financial concerns to indulge in what is essentially a financial activity. "Unless the Bank of England brings in some controls companies will have to rely on their own judgments," said another merchant banker. "There is always a danger on the fringe of such a rapidly expanding market," commented another. Examples already cited are leases which appear to have been written on unprofitable margins, simply with the objective of securing tax shelter. "Companies get hooked on not paying tax. It's like a drug," is how another banker described the dangers.

To some people the whole leasing phenomenon is simply the result of a crazy tax system. Others are beginning to question whether what is now happening was ever intended by Parliament. As one lease broker put it: "It boils down to asking whether the situation is going to continue in which the non-tax paying sector of the economy gets the advantage of tax allowances intended for the taxpaying sector."

SOME OF THE NEW LESSORS NOW

MEN AND MATTERS

Pouring powder on Germany

The gulf between James Callaghan's view of the EEC food surpluses and the attitude in Brussels was demonstrated when I questioned an official there about the skimmed milk powder "mountain." It was, declared the official, "not very alarming." The powder, a by-product of the better-known butter mountain, now amounts to 588,000 tonnes, worth something above £350m.

But if you dig into these "unalarming" heaps of powder, you can unearth some curiosities. For instance, 425,000 tonnes is stored in Germany. As the official explained drily, it is "more interesting" for producers to sell it there, because of the strength of the Deutsche Mark; as a Community product, it may not be refused at the German border. There are only 800 tonnes in the Netherlands and a mere 9,000 in France.

British stockpiles of the powder are a mere 51,000 tonnes, according to Brussels. Most of it is being stored in the west of the country—where most milk is produced. What is to be done with it? Last year the Intervention Board here sold 56,000 tonnes, more than a third under subsidised schemes for pig and poultry food. The subsidies here run at £200,000 a day.

"Now they want to raise the rates to pay for their defence"

Soaking the rich

Aggrieved taxpayers searching for an island in the sun would be well advised to pack their snorkels if they choose Minerva, near Fiji. Minerva is, I am told, the world's only underwater refuge from the attentions of the Revenue.

Previously known only as a hazard to shipping, the development of the reef has some way to go. A U.S. syndicate, appropriately named Ocean Life Research Foundation, became interested in combining Minerva's fiscal attractions with a marine research centre. Sadly, it has so far been discouraged by the gunboat diplomacy of the neighbouring King of Tonga.

Sailing on

Lloyd's has always been proud of its reputation for rugged individualism, but for sheer nerve Lloyd's broker Pearson Webb Springbett takes some beating.

Pearson was the small broker belaboured for the way it handled reinsurance claims on the 301 Fiat cars damaged on board the cargo ship Savonita. Malcolm Pearson, the chairman, was alleged by Lloyd's to have deserted his Italian client, SIAT, when he baulked at what he felt were doubtful claims.

Lloyd's List, the official market newspaper, published a full report of the inquiry's findings last December. Since then Pearson has been agreeing—or as it turns out, not agreeing—the wording of his reply with Lloyd's List. Being insufficiently satisfied with the space he was allowed in this version, which is published today. Pearson has issued an extravagant brochure which he is circulating to clients. The Pearson retort here appears unexpurgated. It is, to say the least, highly robust.

Paying with pride

My report yesterday that the Halifax Building Society expects to set a record with a £150m cheque to the tax collector has brought to light some rival masochists. For instance, British Petroleum expects to pay more than £200m next month in Petroleum Revenue Tax on its North Sea production—and that for a mere six months. "The Halifax is just not in our league," said my BP informant with undisguised satisfaction.

Edinburgh glee

The National Library of Scotland, normally a fairly sober institution, is hopping with excitement at having made the biggest single purchase of manuscripts in its history. For a total of £125,000, including commissions, it has bought at Sotheby's all the papers of James Grant, the African explorer. Fittingly enough, Grant was a Scot, from Nairn.

Alan Bell, the assistant keeper of manuscripts who masterminded the purchase, told me yesterday that the NLS had only a fortnight to muster the funds—and courage—to outbid American collectors. Half of the money came from the Scottish Heritage Fund. Most of the Grant material, regarded as an academic treasure trove, has been "lost" for a century. "But if there were to be another surprise like this in the near future," says Bell, "it would be very hard to find the money."

New diplomacy

Cynicism of monumental proportions can be seen in a diplomatic squabble between Morocco and Ethiopia. The later recently recognised the self-styled Saharan Arab Democratic Republic (which in case you do not know, it a part of the Moroccan desert occupied by Polisario guerrillas).

This recognition enraged Morocco, which has responded by breaking off relations with Addis Ababa. Now the Ethiopians have explained themselves: "Since Ethiopia's support of the right of peoples to self-determination, in accordance with the principles of the UN and OAU, was the cornerstone of its foreign policy, it was impossible for any one to misinterpret it."

This comes from the régime which has lately put down the Eritreans — and done so with the aid of Soviet weapons, Cuban troops, and the military guidance of a senior Russian general.

Safety in numbers

Much cynicism has greeted the French post office's national advertising campaign to shore up its public image, an effort which coincides with a renewed effort to bring French telephones into the 20th century. This is proving no mean feat, as anyone who has run the Gallic gamut of static electricity and disconnections will understand.

In its new tactful mood, the post office is holding back with certain improvements, however. While the lack of itemised bills has built up a certain distrust among consumers, these are not to become generally available, says the post office, until 1981. Bills will remain ambiguous, except by request.

According to speculation in the press, this is a tribute to another hard-hit French institution, the mistress, whose telephone number most Frenchmen prefer to remain a secret.

Still-born silence

The Bank of England evidently feels that history should be spared the sordid details of the Battle of Watling Street of February 22, when brokers and their messengers pushed, shoved and fought to put in applications for two new gilt-edged issues. The successful ones had a potential profit of 91 per cent at one stage. All this morning's quarterly bulletin has to say on the event is: "The two issues were made and over-subscribed."

Observer

ECONOMIC VIEWPOINT

Budget challenge for a statesman

.e following letter addressed to Mr. Denis 'aley, the Chancellor of the Exchequer, has en found in the offices of the Financial Times.

SECRET. FAILURE TO OSE CONTENTS WILL BE :ELY PREJUDICIAL TO THE 'NAL INTEREST.

Chancellor,

readers of my Lombard nn of this Monday will ', you have been persuaded institute the practice of pre- et purdah. This is the cus- by which the Chancellor tes himself as much as pos- from the outside world he is forming his key nents—just the time when :ould be most in contact, as Amory, who was Chancel- n 1958-60, long ago com- ed.

is, therefore, necessary to to make a simple sugges- A few months ago I was l by an old friend, now in a ɔost, what I should do if I t in my power to take one measure which might it underlying British ɪmic performance. My un- ɪting answer was: "Reduce op marginal rate of tax to 'r cent."

is is the kind of proposal you might expect a ɔnist in the Financial s to favour; and I must re a small interest in it. lf. Neither fact makes the ɪsal wrong; and it is a sad ɪentary on Anglo-Saxon chism that so many people d be inhibited from speak- ɪt by that kind of considera- The case for the measure ɔple. The revenue cost for ical purposes zero. It can ɔrst do no harm. It will ɪt certainly do some good, nay perhaps do quite a lot ɪod. Of how many other ɪres could that be said?

you ask whether a higher ·ver budget deficit will help employment, you will be beset by discordant theologies. So you can go on down the list of your budgets briefs. A 50 per cent tax ceiling is about the one measure which in no way depends on answering unsolved problems at the frontiers of economics. It is equally valid whether you are a monetarist Keynesian, a Keynesian monetarist, or run the economy "by the seat of your pants."

Moreover, because of its negligible revenue cost, the tax ceiling does not involve a painful round of public spending cuts or a choice between the social and the private wage. If you or another Chancellor wanted to reduce the basic rate of income-tax from, say 33 to 30 per cent, it would cost over £1.4bn in a full year. By contrast the abolition of higher rates, in the 50-83 per cent range would be virtually self-financing.

Yet when I mentioned the subject of this letter to a colleague, he asked: "Are you serious?" To which I had to reply: "Probably not. For this to happen, you would need a statesman and not just a clever man as Chancellor." I am not going to go in for the debating trick of asking you to prove me wrong, but will simply carry on the argument.

You will have been advised many times that it is debatable whether people work more at a higher or lower tax rate. But this doubt does not end the discussion. Any favourable incentive effects of income tax depend on its average or "effective" rate. Maybe some people would work harder with a flat rate proportional tax of 35 per cent than with one of 25 per cent, in order to obtain a given income goal. We do not know enough to generalise.

But we do know as a matter of simple logic that it is the marginal rates on *increases* of earnings which are the disincentive to extra effort, risk, unpleasantness, or the taking of responsibility. This is one reason why the cost to the revenue of a 50 per cent ceiling would be so low, about £550m in a full year or £275m in 1979-80 according to a tax model equivalent to the Inland Revenue's. Even the higher figure is only just over 1 per cent of total revenue, and is equivalent to the gain from indexing the specific duties on petrol, drink, and tobacco to make up for last year's erosion.

The official estimate is in fact a vast overstatement. For the Inland Revenue computation is quite properly based on simply adding up the total contribution made by higher rate taxes levied on existing incomes. It makes no allowance for the extra incomes which would be earned and declared once the threat of fiscal confiscation was removed. Indeed, I should be certain of three things. One is that the actual full first year cost of such a move would be a fraction of its official cost. The second is that within three to five years there would be a revenue gain. And third you could take the 1979-80 cost, conventionally stated at nearly £0.3bn on an Inland Revenue basis, and add it to the £8.5bn borrowing requirement limit without any adverse effect on internal or external financial confidence.

Of course for some people work itself provides the challenge, excitement and so on, irrespective of financial reward. Economic policy, however, works on the margin, on those who do respond to financial incentives. Moreover, even among those who are not primarily motivated financially, there is still a choice of how far to go in accepting uncongenial conditions, career risks and numerous other optional discomforts, if there is little to show at the end of it.

The main deterrent effects of very high marginal rates come however much earlier when a choice of job is made, rather than in efforts made in any given post. High rates inevitably put a premium on rewards which cannot easily be taxed: a quiet life, congenial workplace conditions, on-the-job satisfaction. Hence the popularity of academic life, administration or the media, as distinct from making or selling, especially if they involve frustrations of every kind and clime. Internal migration away from the corporate sector, or visible and taxed employment, is probably at least as great as the more publicised external brain drain.

Indeed the more immediate revenue gains would come from the decline of the tax avoidance industry. One reason why the official statistics may exaggerate Britain's poor growth performance is that they take insufficient account of the "secondary economy," publicly recognised in Italy, and much discussed in private conversation in this country too. You know the sort of thing: payment in kind, or simply the growing preference for work for which cash can be paid directly. But even in the officially recorded economy, the diversion of effort into tax management and the receipt of benefits in kind is one of the largest distortions we have.

What is so magic about 50 per cent as a top rate? It is not a scientific figure, simply an indication that however much inflation or incomes rise, half of one's marginal earnings will be one's own. The trouble with the Conservative and Confederation of British Industry proposals for a top rate of 60 per cent is that within a few years, people quite far down the incomes scale would be paying it. Although I am all for indexation, this can never be as good a protection as a well-established 50 per cent ceiling introduced by a Labour Chancellor, although even the latter will not be a perfect guarantee.

It is often forgotten that the effective 50 to 60 per cent tax ceiling in the U.S. is largely the work of the Kennedy administration. There were British-type tax rates at the top during the whole Republican period, of course with plenty of loopholes for those who knew the ropes.

Of course extremely high implicit tax rates — known as the poverty trap — are also a formidable deterrent at the bottom of the income scale. They arise to a large extent from the overlap of tax and social security payments in the same families. The biggest contribution that a Chancellor can make here is to raise the tax threshold; and at the very least I hope that you have heeded the warnings of Mr. Jeff Rooker against trying to go back on the indexation law which bears his name.

But it is a thousand pities that last year, when you thought you had some revenue to spare, you wasted it on a reduced 25 per cent tax band, rather than raising the real threshold itself. Indeed, some of your Treasury advisers felt that they had already demolished the case for the reduced rate band and were therefore not on their guard when you slipped that in on the advice of the Trades Union Congress (which did not seem to do you much good in your abortive Phase Four).

The fact remains that removing penal rates at the bottom is far more expensive than removing them at the top. For the former involves raising the starting point of every taxpayer. Although it would be far better to act symmetrically at both ends, is it sensible to refrain from removing a gross disincentive at the top because you cannot afford this year to do the same at the bottom?

Is it fair to have concessions at the top when the Budget itself will be somewhere between tough and neutral? Are not socialism, and even social democray, "about equality"? We should face this honestly. Economic equality has attracted people for different reasons. There is the positive goal of redistribution towards the poor, and the negative one of levelling down the rich. So long as the latter was a means to the former, people did not have to analyse too closely why they wanted equality. The instinctive appeal to the Robin Hood in all of us was enough. But now the two goals have become detached, and may even be in conflict. What is the gain from marginal tax rates so high that they yield nothing for redistribution to the poor and quite probably subtract from what you have available for the purpose?

"How can I cut higher rate tax while asking people of modest income to accept a limit of an extra few pounds a week under pay policy?" You can't. Indeed, almost every one of the last few Budgets has had extensive reliefs for managerial and professional taxes removed from it at the last moment, not because you thought them unjust or unnecessary, but because you were afraid of the effects on union attitudes to pay policy. The very absence of an official pay norm this time gives you a unique opportunity to make a move on the higher rates, which you or your successor may not have in future when national pay forums, "concerted action," and all those other fashionable rostrums are in operation.

"But can you expect a Labour Chancellor, who hopes to become party leader, to slash higher rates in his last pre-election Budget?" This is what my sceptical colleague really had in mind. If you want the conventional "sophisticated" political advice, you will not of course ask me, but, say, Dr. Bernard Donoghue. Yet when Ladbrokes are giving odds of 4 to 11 on a Tory win, you might just give the babes and sucklings a hearing. There is such a thing as Whigs stealing the Tory clothes (or better a version of them with a place for a spine inserted).

"But how will surtax-cutter Healey fare in an eventual Labour leadership election?" My suggested course is a high-risk one, admittedly. Occasionally statesmanship does mean taking the riskier course. All the same, if you could bring in, during difficult circumstances, a budget that might help transform the economic mood of the country and was seen to lead up to a Labour victory against the odds, would you not stand a chance of reaping the reward?

Of course it is a political gamble. But playing safe is most likely to give you the leisure, whether as elder statesman or as Leader of the Opposition, to read the growing high-brow mathematical literature showing that the welfare of the least well-off is likely to be maximised by a reasonably high basic tax rate, but with only a moderate and tapering progression thereafter.

You will notice I am not promising that a simple fiscal measure will remove British economic weaknesses noted by Lord Haldane before World War I. U.S. tax ceilings have not prevented a productivity standstill in America worse than our own in the last five or six years. Maybe, however, the resurgence of the U.S. economy in the 1960s owed more to the incentive effects of the Kennedy tax cuts than to the supposed stimulus from the budget deficits which did not come on any scale until a great deal later.

I am asking you to take a political risk. But more conventional courses are hardly risk free. Unlike them my suggestion offers you a chance of being remembered for something more positive than merely being less inflationary than the last Conservative Government.

Samuel Brittan

HIGHER RATE THRESHOLDS
(on taxable income)

	1973–4	1976–7	1977–8	1978–9
First higher rate:				
In current sterling	5,000	5,000	6,000	8,000
In 1973-74 sterling	5,000	2,994	3,060	3,789
Top rate threshold				
In current sterling	20,000	20,000	21,000	24,000
In 1973-74 sterling	20,000	11,979	10,709	11,368

Source: BIM/Treasury

Letters to the Editor

ɪe price of ɪcon

the Director, and Meat Manufacturers' ɪation

The Danish Minister of ɪlture is reported (March have used the hospitality he International Food ition at Olympia to attack vernment's attitude to the on Agricultural Policy in 1, and Mr. John Silkin's stance regarding the ness of monetary compen- amounts of subsidies on bacon exported to this y in particular. He sug- that some of the UK producers' difficulties be solved by the moderni- of out-dated curing

ish curers regard the system in a very different from Mr. Kofoed and their are shared by producers processors in France and The system is not ɪed, as he implies, to sub- consumers, but to offset es in currency values in between EEC countries in agricultural products. pleased the Japanese l be if their earnings in from trade with the UK protected by payments Brussels to offset the ɪr pound. It is a splendid n for strong currency ries, for the strong get ger and the weak grow ɪr. But the Japanese thrive ɪse of their own efficiency, ɪy not the Danes?

ɪs quite clear that in pre- circumstances they cannot. cannot generate sustained from the sale of bacon ɪe current price of £1140 on without the additional subsidy which is over £200 ɔn. The British curer strug- to sell his unsubsidised ɪ in competition and cer- / cannot operate profitably. , the industry is slowly ɪring away. By the end of year our market share will dropped from 44 per cent 977 to 40 per cent. Two ries stopped production year; others will follow.

rers would like to respond r. Kofoed's clarion call for ɪrnisation. Investment in plant, new technology and ɪssive marketing is the blood of any industry. For s investment can only from increased borrow- In present conditions ɪy can be borrowed only if ɪ is confidence about an uate return. That con- ɪce can only be generated ɪere is a genuine prospect ɪr trading conditions in the re. It is time the Danes ɪged from their cosy shelter logma and their protected e market and joined the ɪsh, French and Italians in ɪlear commitment to an rly phasing out of MCA's. market forces and true petition become the arbiter ur industries' success.

ocke,
9 Cornwall Terrace, NW1

ɪllogical and ɪnenforceable

m the Head, Consumer ɪey Unit, National Consumer ɪncil

ir,—I was very glad to see r report (March 9) of our w that restrictions on Sunday ling are outdated, illogical l unenforceable. I think, how- r, that David Churchill has misinterpreted the results of the research carried out for us by NOP Market Research. It is not true that only 4 per cent of those surveyed wanted all-day Sunday trading. The question we asked was "What extra shopping hours would you like?" for a series of specified items. It's true that only 4 per cent said that they wanted extra shopping hours in response to this but it must be borne in mind that 69 per cent of those who responded to our survey said that they already had late night or Sunday shopping in their area. And of course our survey included people in Scotland where there are no restrictions on Sunday trading (except for barbers and hairdressers). What the National Consumer Council wants to see is the freedom already enjoyed by traders and consumers in Scotland extended to the rest of the UK.

Maurice Healy.
18, Queen Anne's Gate, SW1.

Destructive minorities

From Mr. G. Schmerling

Sir,—Justinian is unrepentant (March 12). The crime of blasphemy is "archaic," or, "to say the least, obsolescent." The argument that there has been no prosecution for blasphemy for more than 50 years is really disingenuous. This country was world famous for its unwritten laws of decent behaviour, and that outrageous article would not have been published even 20 years ago, as Justinian *will* agree. In fact, no printer would have printed it. Now that the unwritten laws, in all spheres, are no longer observed, not less but more formal laws are required in order to maintain the effective status quo and protect the majority from attacks by destructive and apostate minorities.

G. Schmerling.
c/o Chemical Club,
1, Whitehall Place, SW1.

Where the grass is greener

From Mr. R. Marshall.

Sir,—The fallacy of comparability (March 9) is surely that it cannot be applied to groups without denying the existence of market forces. Whereas individuals among the 600,000 white-collar civil servants might well successfully obtain "comparable" jobs in the private sector with the increases of 26 per cent-35 per cent which they seek, it is unlikely that all 600,000 would actually succeed, or would even try. If so, the comparability is theoretical and may even not be accurate.

The only way to prove it is to note how many civil servants are actually leaving that relative job-security and those notorious pension "rights" behind and obtaining substantial increases by taking a job in the real market. With a collective monopolistic union to bargain for them and threaten anarchy, however, things look quite different, at least until a Howard Jarvis fosters public electoral protest at high inflation and high taxes, and 600,000 becomes 400,000, after a bout of tax-cutting fever.

The other questions which your leader stimulates are: Can employed teachers be considered a group comparable with unemployed teachers, whose desire for work might indicate that less pay is needed in order to find qualified people? Similarly with an almost world-wide oversupply of adequate aspirants to the study of medicine, can UK doctors not take their envious eyes off the particular restricted markets of the EEC and the highly-sued U.S.? It is human nature to look for comparability with groups where the grass is greener and forget poorer relations.

R. Marshall,
25 Daneswood Close,
Weybridge,
Surrey.

Comparing work

From Mr. G. Macdonald.

Sir,—So, the Commission on Pay Comparability has commenced to labour. I wonder if it is too much to hope that it will be sufficiently diligent in its tasks to compare the work content and manning levels of jobs in the private sector in establishing payments for public sector employees.

Each branch of public and civil service should be rigorously examined to ensure that over-manning ceases. The less efficient the manning levels for those whose wages stem directly from tax and rates, the truer that public sector employees are parasitical.

Before any pay rises are made as a result of comparability studies, there should be a rigid examination that goes beyond the manning really necessary to complete certain tasks. It should both pose and answer the more fundamental question of whether whole departments are necessary in themselves.

George Macdonald,
17 Copperas Lane,
Denton Square,
Newcastle-upon-Tyne.

Accounting standards

From Mr. R. Instone

Sir,—It is welcome news (March 9) that Deloitte Haskins and Sells, in its letter to the Accounting Standards Committe, advocates an effective procedure for enforcing accounting standards. It is, however, odd that Deloitte should apparently have overlooked the fact that the necessary machinery already exists.

At present, as Deloitte recognises, statements of standard accounting practice (SSAPS) issued by the ASC have no binding force. Moreover they are in several respects at variance with, or even incompatible with, present statutory requirements. This places auditors in an impossible position, since they are required by the 1967 Companies Act to certify that accounts have been prepared in accordance with the provisions of the Acts.

All that is necessary for the purpose of giving SSAPS the force of law is that statutory provisions should be amended so as to reflect them. This would not necessitate a new Act, since the Department of Trade is already empowered by s. 454 of the 1948 Act to amend its accounting provisions by statutory instrument.

Before the Department introduced any such amendment, however, it would no doubt wish to consult other interested parties. It is surely undesirable that the accountancy profession should at one and the same time claim an exclusive right to determine how companies' accounts should be framed, and also the right to impose their views on the rest of the community.

Ralph Instone,
13, Old Square,
Lincoln's Inn, WC2.

Equity in tax treatment

From Mr. M. Minter.

Sir, — It has been reported that a tax amnesty is to be granted to one particular group of workers, while another group is to receive tax relief in respect of meals purchased. In the latter case the Inland Revenue appears to have given Section 189 of the Taxes Act, 1970, an entirely new interpretation and to have disregarded the decision reached in Caillebotte v Quinn (1975). May I suggest that every tax payer should write to his local inspector asking if he can have similar treatment, and if not, why not?

Michael Minter.
73, High Street,
Orpington, Kent.

Newcastle in trouble

From the Leader of the Council Newcastle-upon-Tyne.

Sir,—Hazel Duffy—"Vickers runs into trouble in Newcastle" (February 28)—fails to give due emphasis to the other side of the issue, which could be described "Newcastle runs into trouble with Vickers."

The social implications of Vickers' Scotswood closure on the Newcastle area are readily apparent: unemployment increasing from an already unacceptably high level, problems of economic dependency and out-migration from inner-city areas, reduction of job opportunities for the increasing numbers of unemployed school leavers and an increasing burden placed upon central and local government services. The cumulative effects of closures and redundancies recently experienced on Tyneside marks the entry of the north east into a critical phase of industrial degeneration, which if not resisted could culminate in virtual industrial extinction.

Taxpayers already stand to foot a bill of between £1.8m and £2.4m in the first year following closure; how much more will they and the community at large have to bear if Lord Robens' view that heavy engineering in Britain "will in due course . . . virtually disappear" is realised, with a helping hand from himself?

(Cllr.) Jeremy Beecham.
Civic Centre,
Newcastle-upon-Tyne

Advertising on the BBC

From Mr. R. Ernest.

Sir,—I cannot understand how the idea got around that the BBC does not carry advertising. "Radio Times" is plugged hard on radio and TV every week, and I have also seen an advertisement on TV for engineers for the BBC. I recall some years ago hearing an advertisement on radio for secretaries or typists for the BBC, and I also seem to remember an advertisement for people with some kinds of skills for the Navy.

R. Ernest,
7 Rosecroft Avenue,
NW3.

Today's Events

GENERAL

UK: Interim report on financing of small firms, published by the Wilson Committee.

Mr. John Silkin, Agriculture Minister, opens Food Manufacturers' Federation national conference on "Food in the Balance," Grosvenor House, W1 —other speakers include Sir James Goldsmith, chairman, Cavenham; Mr. Richard Butler, president, NFU; and Mr. H. B. Greenborough, president, CBI.

Scottish Liberal Party conference opens at Corran Hall, Oban (until March 17).

Chemical Industries Association publishes annual review.

Mr. Christopher Tugendhat, EEC Commissioner, lectures on the European Community at Herriot-Watt University, Edinburgh.

Sir Kenneth Cork, Lord Mayor of London attends City Music Society lunchtime concert, Bishopsgate Hall, EC2; dines with Merchant Taylors' Company at Merchant Taylors' Hall, EC2.

City of London annual art exhibition opens at Guildhall Art Gallery, EC2 (until March 29).

Overseas: President Sadat puts President Carter's peace plan before the Egyptian Cabinet.

Dr. Kurt Waldheim, UN Secretary-general, to rule on Namibia (South-West Africa) ceasefire deadline: UN troops due to arrive.

Brazil's new Government, headed by President-elect Gen. Joao Baptista Figueiredo, to be sworn in.

Archbishop of Canterbury on West African tour, arrives in Accra, Ghana.

Twenty-seventh Scandinavian Fashion Fair opens in Copenhagen (until March 18).

OFFICIAL STATISTICS

Index of industrial production, January provisional figures.

PARLIAMENTARY BUSINESS

House of Commons: Consolidated Fund

House of Lords: House of Commons (Redistribution of Seats) Bill, third reading. Carriage by Air and Road Bill, third reading. Vaccine Damage Payments Bill, committee stage. Kiribati Independence Bill, committee stage. Marriage (Enabling) Bill, committee. Short debate on compensation payable for compulsory purchase of listed buildings.

Select Committees: The Nationalised Industries, Sub-committee D. Subject: Consumers and nationalised industries. Witnesses: British Railways Board, National Bus Company, Room 6, 10.45 am.

COMPANY RESULTS

Final dividends: British Petroleum Company. T. Clarke and Co. William Collins and Sons (Holdings). Newey Group. Sale Tilney. Smith and Nephew Associated Companies. Steatley Company. Tricentrol. Yule Catto and Co. **Interim dividends:** HTV Group. Wolesey-Hughes.

COMPANY MEETINGS

BAT Industries, St. John's, Smith Square, Westminster, SW, 12. Baring Bros., 88, Leadenhall Street, EC, 2.30. Corn Exchange, 2, Seething Lane, EC, 11. Greenfriar Investments, 11, Austin Friars, EC, 2.45. Hallam, Sleigh and Cheston, Harborne Road, Birmingham, 3. Henlys, Henly House, 385-387, Euston Road, NW, 12. Frederick Parker, Grand Hotel, Granby Street, Leicester, 2.15. White Child and Beney, Connaught Rooms, 61-63, Great Queen Street, WC, 11.30.

BTR jumps to £42.5m—current year starts well

FOLLOWING the first half improvement from £13.4m to £17.9m, profits before tax of BTR jumped £12.8m to a record £42.5m in 1978 from sales of £385.8m, compared with £247.9m.

The group has also made a good start in 1979 with the value of sales and orders running at higher levels than last year, despite the special problems facing industry in the UK during the opening weeks of the year.

Earnings per 25p share are shown at 38.1p against 30.4p, and the final dividend is the forecast 5.5p on increased capital making a total of 11p, against an equivalent 8.4p. A one-for-two scrip issue is also proposed.

The directors say the 43 per cent increase in profits before tax was mainly attributable to operations within the 1977 base whereas the 56 per cent sales increase derived chiefly from acquisitions during 1978.

The UK valuation of fixed assets has been re-assessed by the directors, based on useful lives. A surplus of £18.2m has been credited to reserves—the increase in depreciation arising from the valuation and changed depreciation rates in 1978 is not material.

	Year £m 1978	£m 1977
Europe sales	259.2	161.5
Western	56.8	35.4
Eastern	69.8	51.0
Total sales	385.8	247.9
Europe profit	30.9	20.3
Western	6.7	5.2
Eastern	4.9	4.2
Profit before tax	42.5	29.7
Tax	16.5	10.4
Minorities	1.6	1.2
Attributable	24.4	18.1
Extraord. items, etc.	0.2	0.7

See Lex

HIGHLIGHTS

Lex considers the latest figures from BL which demonstrate how the group is gobbling up cash but is still within the framework of its overall plan. BTR has produced another year of extraordinary growth and Lex comments on the company's prospects, particularly with regard to its recent acquisitions. The reasoning behind GEC's choice of a £50m issue of sterling bonds to help finance overseas expansion is examined. Elsewhere, Invergordon's figures for nine months show a good rise though profit margins have not lived up to earlier expectations. Jeweller, James Walker has produced buoyant half-time figures.

Sir David Steel, chairman of British Petroleum, in London yesterday—annual results due today.

Best-ever £0.53m for Montfort

—Best ever £0.53m for Montfort RECORD TAXABLE profits of £528,058 for 1978 against £318,160 last time are reported by Montfort (Knitting Mills), on turnover up from £9.21m to £10.08m.

In January, announcing a proposed rights issue, the directors forecast that full-year profits before tax would be in the region of a record £475,000. At midway, profits advanced from £217,459 to £269,286 on £4.71m (£4.44m).

After tax of £164,491 (£134,101), stated earning per 25p share are higher at 18.932p against 7.989p.

The net final dividend is lifted from 2.515p to 2.837p—as already announced — making 3.925p (3.49p). The directors said in January that they intended to recommend a 1979 dividend not less than those paid in the period under review.

Retained profit for 1978 came through at £249,990 against £101,685. Exports totalled £1.38m compared with £1.43m.

Guthrie lower in Malaysia

Pre-tax profits of Guthrie Ropel Bhd, the Malaysian incorporated plantation subsidiary of Guthrie Corporation, were marginally lower in 1978 at 18.7m ringgits against a record 19.4m ringgits. This was after a strong second-half recovery from the drought.

At the time of the merger last December between Ropel and Temiang Estates, full-year profits were forecast at 17.25m ringgits.

The final dividend is 13 per cent on increased capital, making 18 per cent compared with 15 per cent last time.

The results include those of Temiang Estates.

CU Australia omits interim

Commercial Union's Australian subsidiary, Commercial Union Assurance, lifted profit from A$3.7m to A$3.8m in the six months to December 31, but there will again be no interim dividend.

The directors said that although there had been an increase in profit, an underwriting loss of just over $1m, which compared with a A$808,000 loss in the same previous period, reflected the difficult market conditions.

Premiums, less reinsurance rose 9 per cent to A$50.3m and new sums assured in the life insurance department rose A$30m to A$93m.

Robinson Brothers decline

DESPITE an increase in turnover from £9.43m to £11.49m, pre-tax profit of Robinson Brothers (Ryders Green) fell from £2m to £1.63m in 1978.

Earnings per share are shown to have fallen from 169.8p to 106.1p and, as forecast, the final dividend is 2.5p.

Provincial Laundries recovery

FOLLOWING the recovery from losses of £38,188 to a £32,119 profit in the first half, Provincial Laundries reports pre-tax profits of £100,026 for 1978, compared with £28,300 deficit in the previous year.

Earnings per 5p share are shown at 2.49p against an 0.64p loss. A final dividend of 0.2749p makes a maximum permitted total of 0.4349p against 0.3954p.

Turnover for the year improved £888,722 to £1.3m. There is no tax charge this time compared with a 1977 credit of £3,258.

Attributable profit is £64,961 (£10,515) after extraordinary debits of £35,065 (£36,057 credit).

Invergordon ahead but margins slip

ON AN annualised basis profits before tax of Invergordon Distillers (Holdings), the Scotch whisky group, increased by 17 per cent in the nine months ended December 31, 1978, with turnover showing a 25 per cent rise.

The directors say that the profit in the nine month period is in line with expectations, amounting to £2.46m compared with £2.8m for the previous 12 months. Turnover for the period amounted to £14.95m compared with £15.93m for the year.

In the three months ended June 30, 1978 profit reached £757,000 on a turnover of £4.2m. The directors said in July that the rest of the period was expected to show a further increase in turnover and improved margins over the same period of last year.

After a tax credit of £384,023 (£377,908 charge) earnings per 25p share are stated at 14.59p for the nine months compared with 12.44p for the year. The final dividend is 1.14p making a total of 1.84p for the period compared with 2.23386p for the previous year. This represents an annualised increase of 10 per cent—the maximum allowed after application to the Treasury.

In June, 1978 it was announced that through the acquisition of a controlling interest in Carlton Industries, Hawker Siddeley Group had become interested in 76.2 per cent of the company's equity.

● comment

After the first three months of the nine-month period under review, Invergordon Distillers forecast a further increase in turnover and improved margins. Sales may indeed be well ahead but it is clear from the latest figures that margins, which had enjoyed a steady improvement over the past few years, came under a little pressure. In the three months to June, for example, pre-tax margins were 18 per cent but over the next six months, which admittedly included the traditionally quiet July, they fell by more than two points to just below 16 per cent. Overall pre-tax margins in the 12 months of 1977/78 were 17.6 per cent with little variation between first and second halves. The company maintains that a change in accounting for depreciation has depressed profits but even so this does not explain the entire margin shortfall. On the trading front exports, because of recent price increases, appear to be leading the way while extra capacity on the distilling side is helping the group meet good demand. Borrowings were up at end-December but this was simply a matter of timing and the company's gearing remains low. Hawker Siddeley's interest (through Carlton Industries) adds spice to the shares which at 193p stand on a p/e of 9.8 based on annualised earnings.

BL advances at trading level: raising £85m loan

WITH SALES improving 18 per cent to £3.07bn trading profit of BL rose 26 per cent from £56.7m to £71.3m in 1978. However, after all charges, including £13.6m for exceptional manpower reductions, an attributable loss of £37.7m compared with £51.9m was incurred.

Mr. Michael Edwardes, chairman, said yesterday that profits were still inadequate but considerable progress had been made in the past year towards the restructuring of BL.

It was also announced that the company was finalising negotiations for a total of £85m unsecured floating rate seven-year sterling loans, from a group of seven foreign and British overseas banks. Mr. Edwardes described this as a clear vote of confidence in the future of BL from the international banking community.

Profit before tax and cost of exceptional manpower reductions advanced from £3.1m to £15.3m in the 12 months and after deducting the exceptional item the pre-tax profit is shown to have fallen from £3.1m to £1.7m.

Of interest costs of £56m (£53.6m) some £25m was paid on state loans. Depreciation charged amounted to £75.7m (£62.2m).

With tax up from £8.1m to £12.6m, the net loss for 1978 increased from £5m to £10.9m. Extraordinary debits of £24.7m (£43.9m) were mainly attributable to the costs of closure of plants or companies where operations are being discontinued. The exceptional manpower reductions refer to the costs incurred in plants which continue in operation.

Total sales were broken down as to UK £1.72bn (£1.32bn) and overseas £1.36bn (£1.28bn). Of these, direct exports from the UK totalled £0.91bn (£0.85bn). BL is Britain's largest vehicle exporter.

The directors say that production losses, including those caused by unconstitutional disputes which bedevilled the British motor industry in 1978, had an impact on BL. It is estimated that because of this, sales revenue was reduced by at least £300m and trading profit by at least £50m.

Car operations achieved a profit, before tax and extraordinary manpower reductions, of £20m, compared with a £32m loss in the previous 12 months. Austin Morris swung from a loss to a modest profit but the commercial vehicles and specialist products business lost £5m, against a £35m profit.

In 1978 the company met its profit, return on capital and cash flow aims in the plan accepted by the Government. The directors state that capital spending at £233m was on target.

Spending is planned to continue at a high level in the current year, including the start of the £285m phase two Land Rover expansion programme which has now been approved.

The 1979 BL corporate plan has been approved by the NEB and is being sent to the Government for its consideration.

The announced £85m loan is a major contribution to the funding of BL's capital investment programme and it brings the total of seven-year unsecured loans raised by BL from the private sector in the past three months to £115m.

On the £85m of new loans BL will pay a favourable interest rate. The average spread over the life of the loan is 1 per cent over the London Interbank Offer Rate (LIBOR).

Trade Indemnity climbs to £3.6m

TAXABLE INCOME of Trade Indemnity Company, which writes credit insurance business in the UK and overseas, jumped from £2.67m to £3.59m in 1978.

Premiums written were up from £18.58m to £19.81m following a 4.2 per cent increase to £9.66m at halfway.

The income figure was made up of profit on the 1976 underwriting account of £2.45m, against £1.74m for 1975, franked investment income up from £304,154 to £388,294 and interest and other income of £757,004, compared with £630,526.

After tax of £1.86m (£1.32m) net profit comes out at £1.74m, against £1.35m and stated earnings per 25p share are ahead from 37.56p to 48.2p. The final dividend of 5.91561p net lifts the total to 9.3783p. Last year's total was 8.4792p including a special tax adjustment payment of 0.08072p.

There is a transfer to underwriting contingency reserve of £250,000 compared with £500,000.

Mr. Raper's St. Piran stake

Mr. Jim Raper, an ex-director of the Cornish mining and construction group *St. Piran* who several shareholders have thought to be the power behind the throne in the company, yesterday was revealed to have a 7 per cent interest in the company through a Hong Kong shell company, *Gasco Investments*.

A terse announcement said that Gasco Investments with subsidiaries holds 820,000 Saint Piran shares (7 per cent).

Mr. Raper is understood to be chairman of Gasco Investments, which was taken over last October by *Berriedale Investments*, a company in which Mr. Raper has an interest.

The stake is thought to have been taken over the 5 per cent mark in th elast few days as there has been a stock available from two pension fund disposals.

According to Saint Piran, Gasco sent it a telex, yesterday, informing it of its stake but the company's registrars, National Westminster Bank, has not yet processed the latest transactions.

The move prompted another broadside from the ginger group trying to overthrow the board of Saint Piran. The five men, headed by Mr. Max Lewinsohn, who have been proposed as replacement directors of Saint Piran, rushed out a hastily prepared letter to the company calling for an explanation on "why the Board has consistenly claimed that Mr. J. Raper had no influence over more than a 1,000 shares."

Adding spice to the row Mr. Lewinsohn has said: "We understand from documents in the Far East that Saint Piran has recently guaranteed a loan of over £4m to an associate in Thailand. Why has this not been done without shareholders knowledge or consent?"

The Gasco declaration came *barely 24 hours after the ginger* group requested the Board to seek an injunction restraining offshore nominee holdings who hold a 30.5 per cent stake in Saint Piran from voting at meetings.

This restraint, the group argued, should be applied until the nominee holdings reveal the true beneficial owners in compliance with the Companies Act 1976.

Whittingham forecasts further profit increase

A FURTHER significant increase in profits for the current year is anticipated by Mr. John Wardle, chairman of William Whittingham (Holdings). He adds, however, that as always this will not be obvious at the interim stage.

The directors intend to pay an interim dividend this year—the first since 1973.

Mr. Wardle says in his annual statement that the current year would appear to have started badly for the development and property division, with bad weather, high interest rates and tight mortgages.

As reported on February 16, pre-tax profits increased from £499,000 to £1.25m, reflecting an improvement in the photograhic side and interest charges almost halved. The dividend is lifted from 0.99p to 2.01p.

The effective capital employed in the development and property division, Mr. Wardle says, has been substantially reduced—a fact reflected in the lower interest charge—and only a relatively small proportion of such reduction is attributable to lower interest rates.

Investment income has shown a modest increase from £181,182 to £224,850, and it is the directors' policy that this trend should continue.

Although there was no significant contribution from industrial projects in the period under review, the chairman says this will certainly not be the case in the current year. Of the photographic processing division, he says that even better results may be anticipated in the future.

Group fixed assets totalled £1.69m against £1.28m, while net current assets were £3.68m compared with £3.99m. There was a decrease in working capital of £1.07m against £2.08m.

RANK RIGHTS

Rank Organisation announces that 96.2 per cent of the shares in its recent rights issue have been taken up by shareholders.

The balance has been sold in the market and the net proceeds will be distributed to ordinary holders who did not take up their entitlement.

Rank announced a one-for-six rights issue on January 24 at 225p a share to raise about £82m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
BTR	5.5	May 17	*4.2	11	*8.4
Invergordon	1.14	—	1.56	§1.84	2.23
Jones & Shipman	4.55	May 9	3.73	6.4	5.33
London & Str'clyde int.	‖0.6	May 23	0.48	—	[illegible]
Provincial Laundries	0.27	—	0.24	0.44	0.4
Thomas Robinson	2.95	May 17	2.64	2.78	[illegible]
Trade Indemnity	5.92	May 8	5.33	9.38	[illegible]
J. Walker Golds'th int	1	April 29	1	—	[illegible]

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes tax adjustment of 0.08072p. § For nine months. ¶ Includes tax adjustment 0.0401p. ‖ To reduce disparity—maintained final forecast.

RESULTS AND ACCOUNTS IN BRIEF

BANKERS TRUST INTERNATIONAL (wholly-owned subsidiary of Bankers Trust Company)—Profits before tax £1,174,590 for 1978 (£1,236,534).

G T ASIA (STERLING) FUND—No dividend. Deficit period October 1, 1978 to December 27, 1978 £8,235. Net assets at offer valuation equivalent to all shareholders equity as at December 27, 1978 £8,311,583. Redemption price of participating redeemable preference shares at same date £14.04, and issue of preference shares £14.88.

WEST COAST AND TEXAS REGIONAL INVESTMENT TRUST—Results for 1978 already known. Net current assets £146,366 (£149,117). Decrease of liquidity £74,685 (£208,489). Meeting 20, Birching Lane, EC, March 29 at 12.30 pm.

STERLING TRUST—Results for 1978, already known. Value of investments at December 31, 1978, £41.74m (£39.9m). Meeting, Bucklersbury House, EC, on April 4, at 3.30 pm.

DEBENTURE CORPORATION—Results for 1978 already reported. Valuation of investments £38.44m (£37.68m). Net current liabilities £0.69m (£2.01m). Movement in net liquid funds £0.4m decrease (£1.58m increase). Meeting, Winchester House, EC, April 2 at noon.

THERMAL SYNDICATE (high temperature refractories)—Results for year to October 31, 1978, already reported. Fixed assets £4.03m (£3.23m). Net current assets £3.42m (£3.0m). At February 9, Kleinwort Benson was beneficially interested in 20.67 per cent of the ordinary capital. Meeting, Newcastle upon Tyne, April 5 at 2.15 pm.

MARCHWIEL (building, civil engineering and public works contractor)—Results for 1977-78 with comments on prospects reported February 21. Group fixed assets £23.72m (£19.2m). Net current assets £18.28m (£17.26m). Meeting, Chester, April 3 at 11 am.

IDC GROUP (designer, constructor)—Results for October 31, 1978, year reported January 31, 1979. Group fixed assets £3.02m (£2.64m), net current assets £2.65m (£2.18m). Working capital increased £435,000 (£3,000 decrease). Meeting, Stratford-upon-Avon, April 4 at 3.30 pm.

THE FOREIGN AND COLONIAL INVESTMENT TRUST COMPANY—Results for 1978 reported February 22. Listed investments at market value, in UK £80.08m (£85.17m), outside UK £86.61m (£71.61m). Unlisted £3.6m (£3.03m). Freehold property and fixed assets £1.29m (£1.28m). Exchanged currency £6.49m (nil), net current assets £8.24m (£4.95m). Liquidity increased by £3.85m (£2.18m). Meeting, 1-2, Laurence Pountney Hill, EC, April 4, 12.30 pm.

UNIDARE—Turnover for 1978 £26.41m (£22.42m). Pre-tax profits £2.27m (£1.78m). The company is a subsidiary of *Philips Electrical (Ireland)*. Meeting, Dublin, on April 3.

BEAUMONT PROPERTIES—Results for September 30, 1978, year reported February 14, 1979. Properties totalled £24.08m (£23.56m). Current liabilities £2.84m (£3.09m), current assets £904,015 (£616,160). Board confident that steady progress will be continued. Meeting, Winchester House, EC, April 3 at 2.30 pm.

ANGLO-INTERNATIONAL INVESTMENT TRUST—Results for 1978 already known. Investments totalled £3.34m (£3.41m). Current assets £309,610 (£30,064), current liabilities £189,419 (£163,821). Meeting, 20, Cannon Street, E.C., April 10, at noon.

M AND G GROUP—The interim distribution of M and G Extra Yield Fund *income units for the accounting period* to September 8, 1979, will be 2.6p net per unit (2.2p), payable on May 1, 1979.

BRITISH AMERICAN AND GENERAL TRUST—Results for 1978 already known. Valuation of investments £27.07m (£29.16m). Meeting, 20, Fenchurch Street, E.C., on April 6, at 11.30 am.

TRANSATLANTIC AND GENERAL SECURITIES COMPANY — Interim distribution on income units for accounting period September 8, 1978, to September 13, 1979, will be 2.5p net (1.892p), payable on April 30, 1979.

YEOMAN INVESTMENT TRUST—Results for 1978 reported February 22. Investments at valuation, £16.16m (£15.73m), net current liabilities £532,547 (£102,409 assets). Net assets £14.65m (£13.52m). Liquidity increased by £165,624 (£45,488 decrease). Chairman says company is well placed to take advantage of investment opportunities as they arise. Meeting, 8 Waterloo Place, SW, April 4, 11 am.

FINDHORN FINANCE—Turnover for half-year to January 31, 1979, £472,952 (£350,129). Profit £55,285 (£17,002) after tax of £18,470 (nil). Interim 5.0p (nil). Board states that figures for first six months of any year are not a reliable guide to full year's results.

LAW DEBENTURE CORPORATION—Results for 1978 reported March 8. Group investments £16.13m (£15.31m) —unrealised surplus £7.17m (£7.8m). Provided there is reasonable stability in capital markets current year should show continued expansion in the growth of the Corporation's trustee business. Meeting, 66, Gresham Street, EC, April 5 at 11.30 am.

Walker Goldsmith moves ahead at six months

BOOSTED BY worthwhile contri-
:tions from its recent acquisi-
ns, James Walker Goldsmith
d Silversmith expanded pre-tax
ofits from £0.88m to £1.1m for
e half year to October 31,
78, on turnover, exclusive of
AT, of £8.68m compared with
.86m.

Since the half-year and
roughout Christmas, turnover
s shown a satisfactory increase
er last year's record levels, the
rectors state.

Trading continues to be satis-
:tory, they add.

After tax of £573,000 (£459,000)
t profits for the period rose
m £424,000 to £523,000.

The net interim dividend is
intained at 1p per 25p share
:he previous year's total was
7996p on £3.06m taxable
ofits.

comment

mes Walker has had a good
st half. But it was not quite as
od as the bald comparison
ggests, and it has perhaps not
ed as well as some competitors.
tners, for example, was up 27
r cent against Walker's 25 per
nt in a similar period and
tners was hindered by losses
Holland. Also, Walker's
ures include a contribution
m the West Country whole-
er acquired last year plus profits from branches acquired at the end of 1977/78. Moreover, last year's first half was slightly depressed by the decision to forego investment income in favour of investment in stock. It paid off in terms of a big trading increase in the second half of last year which boosted the final profits by 27 per cent to £2.18m. Trading since last October has, with the exception of a poor January, been good and a record profits of around £3.7m look achievable in 1978/79. The shares slipped 1p to 138 yesterday giving a p/e of 12.6 and a yield (assuming a 10 per cent increase) of 2.9 per cent.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: — Blackwood Morton, Courtney Pope, HTV, Second City Properties, Wolseley-Hughes.

Finals:—British Petroleum, T. Clarke, William Collins, Great Northern Telegraph, Harmony Gold Mining, Newey, Norvic Securities, Refuge Assurance, Sole Tilney, Smith and Nephew, Steetley, Tricentrol, James Wilkes, Yule Catto.

FUTURE DATES

Interims:—

Amalg. Tin Mines of Nigeria	March 20
Clark (Matthew)	March 21
Howden	March 22
Lowland Investment	April 20
Newman Tonks	March 23
Sirdar	March 21

Finals:—

Booker McConnell	March 29
Expanded Metal	March 19
Finlay Packaging	March 16
Gerton Engineering	March 22
Hewitt (J.) (Fenton)	March 22
Legal and General Assurance	March 28
Lilley (F. J. C.)	April 5
Philips' Lamps	March 22
Rockware	March 21
Spencer (George)	March 20
Yorkshire Chemicals	†March 22

† Amended.

Growth for George Kent in Malaysia

Taxable profits of 3.7m Ringgits in the 1978 year are reported by George Kent Bhd, the 60 per cent-owned Malaysian subsidiary of George Kent. In the nine months ending December, 1977 profits were 1.7m Ringgits.

The dividend is 17.5 per cent compared with 11 per cent for the previous nine months.

The company operates a factory outside Kuala Lumpur and is involved in the manufacture and distribution of meters and other precision equipment.

Britannic Assurance hit by storm claims

The storms and floods in January last year and an adverse experience on UK motor insurance business, resulted in severe underwriting losses for **Britannic Assurance Company** for the year to December 31, 1978. The preliminary results show general branch profits of only £3,000 last year, compared with £175,000.

Full details of the underwriting loss will not be available until the report and accounts for 1978 are published at the beginning of next month. In 1977 the company had an underwriting loss of £481,000, offset by investment income of £657,000. It looks as if last year the losses were around £700,000—about 10 per cent of premium income. This account consists primarily of UK household and motor insurance.

The household accounts were severely affected by the bad storms and floods at the beginning of 1978 and apparently the company could not recover sufficiently over the remainder of the year.

The profits drop, however, was more than offset by an increase in the share of long-term business profits. The actuary's 1978 valuation must have revealed a much larger surplus—split about 93 per cent to policyholders and 7 per cent to profit and loss.

A final dividend of 5.7905 per 5p stock has been declared payable on May 3, 1979. This lifts the total dividend from 9.1777p to 10.1455p. The p/e carry forward is £327,000 against £351,000.

The share price shed 4p to 178p on the results, yielding 8.8 per cent gross.

Switch to equities by Standard Life

THE Standard Life Assurance Company, the largest life company in Scotland, remained heavily committed to the gilt market last year. Mr. David Donald, the general manager and actuary, tells shareholders that in 1977-78 the group invested £131m in gilts—over two-thirds of the total amount of new money available for investment.

During the current year, however, the group intends to reduce the amount of investment in gilts to about 50 per cent of new money. Yet he points out that it is essential to adopt a flexible approach to investment and should gilts yields rise again then the company could invest more in gilts.

Mr. Donald says that at present the group considered equities to offer better prospects than buying completed properties and would continue the policy of concentrating property investment on development.

Overall the company invested £120m in fixed-interest securities last year—the highest investment in gilts being slightly offset by net disinvestment in other fixed-interest securities. A further £30m was invested in equities and £32m in property.

Standard Life has invested the majority of its new money in gilts over the past three or four years. This policy has been followed partly because of the high yields available and partly to match the high level of guaranteed liabilities, particularly on single premium pension business.

The annual accounts for the year to November 15, 1978, show that premium income advanced by 21 per cent from £177m to £214m and investment income by 12 per cent from £155m to £174m, although annuity payments dropped slightly to £37.6m.

Claims and expenses rose by nearly 10 per cent to £168m. After allowing for a £79m deduction because of the changes in exchange rates, the long-term funds of Standard Life improved by £178m to £1.99bn.

Mr. Donald says that the underlying growth was higher than revealed by these figures. The weakness of the Canadian dollar meant that the Canadian business was lower when expressed in sterling. Mr. Donald stated that the Canadian business had been profitable last year.

Despite the difficulties experienced last year new sums assured had increased by 10 per cent. The company was determined to develop and expand its business in Canada where it could be done profitably.

New life and pension business had remained buoyant during the current year with premiums about 20 per cent higher than over the corresponding period last year. The group's plans to enter fully the unit-linked life field were well advanced, but had been held back by the proposals to change to the net premiums method of giving tax relief.

Jones and Shipman reaches £2.92m and paying 6.4p

TH A rise from £1.42m to
3m in second half pre-tax
ofits, A. A. Jones and Shipman,
ker of high precision machine
ls, ended 1978 at a record
92m, compared with £2.25m
viously. Turnover was up
22m to £16.96m.

tated earnings increased from
p to 23.3p per 25p share and,
ject to Treasury approval, the
idend total is lifted to 6.4p
75p) net, with a 4.55p final.

The full year profit included
vernment grants of £0.21m
time, but was subject to tax.
£1.52m (£1.18m). Total revenue for the year was £636,246 (£585,269).

On the outlook for the current year, the chairman says that while dividends can generally be expected to increase by the permitted 10 per cent during the first part of the year it would be prudent to expect some lesser overall increase in respect of the current year's trading.

In the U.S. inflation is also a source of anxiety, but it is expected that interest rates will peak before long with the economy resuming a less hectic rate of growth and that this will be reflected in rising share prices.

This should redress the present imbalance between the group's U.S. and UK geographical distribution. In the five years prior to 1978 the value of the North American investments averaged 33 per cent of the portfolio, the chairman says.

Meeting, Bucklersbury House, EC, March 14 at 2.30 pm.

NO PROBE

Mergers between Royal Bank of Canada and Lindsbourne, and Canicula and Woodhouse Drake and Carey are not to be referred to the Monopolies and Merger Commission.

Confidence at U.S. and General Trust

n spite of uncertainties, the
ctors of the United States and
eral Trust Corporation are
fident of at least maintaining
total dividend in the current
, Mr. W. R. Merton, chair-
says in his annual report.

o reduce disparity, it is
nded to make a significant
ease in the next interim
ch may entail a reduced final
t year, the chairman says.

or 1978, the trust paid a total
dend of 6.834p per share
uding a 5.084p final—the
vious total was 5.94p. Net

Thomas Robinson edges ahead to finish on £1.1m

AFTER A profits increase of £73,000 in the second half, taxable profits of **Thomas Robinson and Son**, engineer and machine maker, rose from £993,000 to £1.1m in 1978. Turnover was ahead from £6.62m to £7.76m.

At the halfway stage, pre-tax profits were up slightly from £363,994 to £391,014, and the directors then reported that manufacturing resources were at full stretch.

After tax of £587,000 (£545,000) stated earnings per 25p share are shown at 12.8p, against 11.3p. The final dividend of 2.95317p net lifts the total from 3.42195p to 3.77637p. The previous year's total included a tax adjustment payment of 0.0401p.

The total value of exports was £2.14m, against £2.02m, representing 38 per cent (39 per cent) of the turnover of the UK companies.

The directors say that land and buildings have been revalued and the £720,000 excess has been transferred to capital reserves.

Increase by Electrical & Industl. Inv.

PROFITS BEFORE tax of **Electrical and Industrial Investment Company**, a member of the BET Group, increased from £659,970 to £771,206 for 1978.

After tax of £212,546 (£192,652), stated earnings rose from 458p to 550p per share. The dividend on deferred shares is lifted 460p to 475p.

Net asset value is shown at £106.92 (£99.49) per share.

Continued growth by PUTPAGS

Mr. C. J. Baker, chairman of the **Property Unit Trust for Public and General Superannuation Schemes**, tells unitholders that the value for shop, industrial and agricultural properties increased substantially during the year ended November 30, 1978.

The fund also achieved a large increase in income from industrial properties while its agricultural holdings, reflecting the buoyant conditions in the farm land market, have shown good growth.

During 1977-78 investment yields on prime properties remained remarkably low. This has regard to the increase in MLR and to the considerable rise in the return on gilt-edged securities.

Mr. Baker also reports an increase in rental values in the shop and agricultural sectors and the yield levels "clearly assume continuing high rental growth." However, he feels that there must be some doubt about the future pattern of rental growth, especially in the retail area. This is because the consumer spending boom of 1978 is unlikely to be repeated in 1979 and also because the economic and political outlook is full of uncertainty.

Despite prevailing uncertainties Mr. Baker still expects PUTPAGS to achieve a considerable rise in rental income in the current year as leases fall due for renewal and rents are renewed at higher levels.

Optimism at S. & W. Berisford

With benefits still to accrue from open contracts on the books, indications were that the current full year results of S. and W. Berisford would be quite satisfactory, Mr. E. S. Margulies, the chairman, told the annual meeting.

Expressing reasonable satisfaction with the overall picture, the chairman pointed out that turnover for the first four months had shown a sharp increase and was 38 per cent higher than the same period last year.

However, the nature of a substantial part of the group's trading activities was such that this was no guide to the emerging profit, he explained.

For the year ended September 30, 1978 record pre-tax profits of £31.36m (£23.57m) were achieved by the group, which has interests in food merchanting and commodity trading, secondary metals forest products, etc.

Members were told that the group was proceeding with a number of acquisitions in the current year, some of which had already been concluded, and which it was hoped would make a satisfactory contribution to profits.

MINING NEWS

Vaal Reefs deal with Afrikander

BY JIM JONES IN JOHANNESBURG

THE SUSPENSION of trading in the shares of Vaal Reefs and Afrikander Lease, announced yesterday afternoon, presages an imminent announcement of plans to establish uranium and gold mining operations at Afrikander Lease.

The pre-suspension price of Afrikander Lease was 530 cents, and that of Vaal Reefs was R30.80. The suspension was at the companies' request.

An official announcement is expected next week, but planning is based on an initial monthly milling rate of 50,000 tonnes and recovery grades of 0.85 kilogrammes per tonne uranium and 0.9 grammes per tonne gold.

These moves follow several months of negotiations between Anglo American, the managing mining house, and the South African tax authorities on satisfactory financing arrangements.

Now it has been agreed that Vaal Reefs will provide an initial R60m (£34.8) for plant construction, incline shaft deepening and underground development. Part of this will probably be financed through consumer loans tied to uranium deliveries.

Vaal Reefs will be able to offset this capital expenditure against its entire profit for tax purposes, as soon as Afrikander Lease is producing steadily. Plant construction should be complete by the end of 1980, although as an interim measure some ore will probably be trucked to Vaal Reefs for treatment.

Vaal Reefs will mine Afrikander Lease on a tribute basis, similar to its existing arrangements with Southvaal. This means that on an after-tax basis, Afrikander Lease should receive distributable earnings equivalent to about one-quarter of working profit. The view widely held among Johannesburg stockbrokers is that this will lead to annual dividends of 100 cents a share in 1982.

Eventually, additional shafts will be needed to mine the whole of the Afrikander Lease orebody. Sinking is expected to start in the mid-1980s, accompanied by a plant expansion to 120,000 tonnes per month capacity, but also accompanied by a decline in uranium recovery to about 0.7 kilogrammes per tonne.

● Vaal Reefs shares were suspended in London yesterday afternoon, following the Johannesburg announcement, at £16¼, down ¾ on their overnight level. The decline was related to the fall in the investment dollar premium.

Afrikander Lease trades in London under Rule 163 (1) e, and at the time of the Johannesburg suspension were 287p, showing a day's rise of 37p. The shares have been a strong market of late in the anticipation of a development in plans for mining.

SA mines weigh up strike effects

BY QUENTIN PEEL IN JOHANNESBURG

SOUTH AFRICAN mining houses were delighted yesterday at the relatively painless defeat of the right-wing white Mineworkers' Union (MWU) in its dispute over black job advancement.

They maintain that production losses have not been significant, although it will take several days before they can be accurately assessed. But they admit that the residue of bitterness left by the wek-long dispute could make this year's forthcoming wage negotiations particularly difficult.

The 4,000-odd white miners who remained on strike, out of some 10,000 MWU members working in Chamber of Mines pits, signed back on for work yesterday morning, automatically forfeiting their accumulated benefits, including the last month's contract earnings, and holiday entitlement. The MWU hopes to negotiate a reinstatement of the benefits, but from a position of weakness.

While mining sources see the return to work as a major defeat for the MWU, and particularly for its hard-line leader, Mr. Arrie Paulus—one report described it as the "start of a new era"—they also admit that a hard-core of white dissatisfaction remains, not simply over black advancement, but over the recent stagnation of white pay rates.

The MWU has already submitted its pay claim for the coming negotiations, and is certain to be trying to make up for a rise of only six per cent last year—half the percentage rise given to black workers.

"It is going to be a difficult round anyway," one mining source commented. "Civil servants are getting increases, and miners' standard rates of pay have stagnated. Arrie Paulus wants to negotiate the five-day week again.

"There is nothing to stop them going on a legal strike, but they are unlikely to risk a wildcat strike again. On the other hand, the Chamber is not prepared to run the risk of a strike just over salary increases. All told, it could be a fairly turbulent year."

Meanwhile the official strike by 121 white miners at Newmont Mining's O'Okiep copper mine in Namaqualand—in protest at the employment of three coloured workers in previously white jobs, and which sparked off the national stoppage in sympathy—is still on. The company, in which Amax has a 17 per cent stake, has dismissed the workers, but has offered to reinstate them on new contracts.

Recovery at Hollinger

THIS YEAR profits at Hollinger Mines of Toronto should climb back to 1977 levels after a fall of 30 per cent in 1978, writes John Soganich from Toronto.

Consolidated income last year was C$13.8m (£5.77m) compared with C$19.7m in 1977, owing to a fall in royalty earnings from Iron Ore Company of Canada where there was a prolonged strike. The results incorporate a contribution from Labrador Mining, a subsidiary.

But Labrador's profits were down 20 per cent from 1977 to C$13.9m, also because of a decline in iron ore royalties. However, Mr. Percy Finlay, who is president of Hollinger and chairman of Labrador, stated that Labrador is in a sound financial position and should have higher iron ore earnings in 1979, although it will still face cost increases.

As for Hollinger, Mr. Finlay said: "We can look forward, all in all, to a good year."

But he noted that the competition for iron ore sales in every world market is intense. The Canadian industry deserves more consideration from the architects of the federal and provincial tax structures, if it is to maintain its place and increase the level of sales, he said.

G. B. BRITTON

G. B. Britton and Sons Holdings has purchased in the market for cancellation £52,439 of its 9½ per cent debenture stock 1990-95 at a cost of £40,421.94. This leaves £737,811 of stock in issue.

هكذا من الأصل

Scottish Equitable backs new tax plan

BY ERIC SHORT

'ORT for the new method ying tax relief on life assurpremiums is given by Mr. t Dawson, in his chair- review for 1978 of the ties of Scottish Equitable Assurance Society.

regards this system as ing that all policyholders benefit by claiming instant elief and the job would be more efficiently and at a cost than the current n.

s view is very much against urrent thinking of life comofficials. At present, tax is claimed by policyrs on their tax returns, but April 6, premiums will be ed for tax relief and life anies will claim this relief the Revenue.

general view of the life ance industry has been ne changeover is inefficient. l be costly to handle and cost the industry many ns of pounds to implement et back development prones by at least a year.

Mr. Alastair Robertson, eneral manager of Scottish able, emphasises that it has a routine operation to make changeover. Once it was tional, everyone would t.

tainly, it does not seem to held back the group's opment programme. The and accounts for 1978 that since the previous a new savings plan had launched on the market— E. Bond and the group has its managed pension fund liary. Mr. Dawson also nced that next month the would be launching the eplan—a traditional withendowment assurance with nique feature that would the investor to leave his ity money to earn further st.

ing the year, premium e advanced by 26 per cent £37.7m to £47.6m and ment income by 24 per cent from £23.7m to £29.5m. Single premiums were 50 per cent higher at £18.5m.

The amount paid in claims fell by over £1m to £18.9m, but commission payments and other expenses jumped by £1.3m to £9.3m. The value of the fund at the end of 1978 stood at £330m compared with £262m at the beginning.

During the year, the group continued to build up its property portfolio, investing £14m of its new money in this sector. But the main investment was still in gilts which accounted for £38m. A further £14m was invested in equities of which £6m was in the U.S.

The investment policy for the current year would still be predominantly in gilts. The group has invested heavily in gilts already this year ahead of the current rise and will continue making selective property investments.

Board changes at Johnson-Richards Tiles

The first Board changes have already been announced at H. and R. Johnson-Richards Tiles which this week failed to block its takeover by Norcros. Mr. Ken Roberts, Norcros managing director is to become nonexecutive chairman of ceramic tile concern.

However, Mr. Alec Done, Johnson's current chairman, who bitterly opposed the Norcros bid, is to remain with the group. He has been appointed deputy executive chairman.

The board changes were announced following the first meeting between the Johnson and Norcros directors—since Norcros announced on Monday that its offer had gon unconditional with the group having acquired a 54.4 per cent stake in Johnson.

BIDS AND DEALS

Vickers joins battle for Australian heavy engineer

THE BATTLE for Jaques, a Melbourne-based heavy engineer, has been joined by Vickers Australia with a share and cash offer, which tops an earlier bid by Clyde Industries, the Sydney engineering and industrial group.

Vickers is offering four of its shares plus A$14.80 cash for every 10 Jaques shares, and based on the current market price of $2 for Vickers' shares, the bid is worth 28 cents per share more than the Clyde offer. The new approach values Jaques at around $8.5m (£4.68m).

Vickers is 66 per cent owned by Vickers Holdings of the UK, so that its offer will need the approval of the Foreign Investment Review Board.

The directors of Vickers said they had a high regard for the important contribution Jaques had made to the quarrying and mining industries in Australia and South-East Asia and believed that by merging the two companies' common interests in these fields, would be conforming to the current concept of structural adjustments in Australia's manufacturing industries. It represented a "logical union," they added.

The Vickers' Board also suggested that Jaques' directors should refrain from making any commitments of their shares in regard to the Clyde bid.

At the same time Clyde Industries has announced its earnings for the December half-year which showed a 25 per cent lift from $2.3m to $2.88m. The interim dividend is held at 5 cents per share and is covered by earnings of 9.7 cents.

Jacksons revaluation shows asset backing of 238p a share

BY RAY MAUGHAN

THE CENTRAL plank of the formal defence by Jacksons Bourne End against the 100p cash per share offer from Rossminster Holdings rests on a property revaluation which shows asset backing of 238p per share.

Some 21½ acres of freehold land at Bourne End have been valued on an open market basis at £1.75m. The estimate of net worth also takes in the group's trading assets at £540,000 and its 20 acres of largely agricultural land at Syston, Leicestershire, which are valued at a further £245,000.

Some seven acres of tenanted agricultural land have been excluded, however, as have about 29,000 sq ft of offices and industrial buildings on a 1¼ acre site let in 1976 on a 35 year lease with five year reviews at a current rental of £28,500.

The overall surplus on book values is shown at £1.46m which takes no account of any planning consents which might be obtained at Bourne End in future. The defence document points out that there is substantial demand for industrial premises in the region and notes that the consultative document issued recently by the Wycombe District Council shows the site, except for the farm land and the parts designated for proposed roads, as an area where employment-generating development may be concentrated.

On the advice of professional valuers, the Jacksons' Board point out that the Bourne End site would be worth "significantly more than £1.75m if a planning application for any redevelopment succeeded."

Second half trading in the year to end-March, 1979, was badly affected by disruptions and industrial disputes amongst principal customers and suppliers.

As a result the year's profit will be "somewhat below the £157,000 achieved in 1977-78." Subject to discussion with Rossminster, which already controls around 58 per cent of the equity, the Board intends to pay a final dividend of not less than a maintained 2p per share for the current year. This year, as last, no interim dividend was declared.

Shareholders are urged to reject Rossminster's terms and in the likely absence of a high level of acceptances. It is anticipated that the quotation will be maintained. Shareholders wishing to dispose of their holdings are advised, now that Rossminster has voting control, to sell in the market where the price climbed 16p yesterday to 138p.

Hugh Paul's interests extend across a spread of broking businesses which include reinsurance, director motor, non-marine and marine and contractors. As at December 31, 1977, the group's net asset value amounted to £163,000 and profits before tax for 1977 amounted to £39,000.

Merger talks off at Hogg Robinson

Lloyd's of London insurance broker, Hogg Robinson Group, has formally revealed that "very preliminary merger discussions" which have taken place with Willis Faber, another major Lloyd's insurance broker, are now off.

Talks are believed to have collapsed a week ago last Friday.

There have been many rumours concerning insurance brokers mergers after the recent major unheavals in the sector.

Since Sedgwick Forbes merged with Bland Payne, becoming the largest broking group in the UK, other large brokers have been trying to work out ways to bring themselves up to a comparable size.

Other names mentioned in connection with a merger with Willis Faber have been C. E. Heath and Minet Holdings.

PERRINS MOTORS

Hartwells Group has agreed to acquire Perrins Motors, for cash. The price is to be fixed by reference to the net assets of the business as at April 30, 1979, and will amount to around £75,000.

Perrins are main dealers for Vauxhall and Bedford in Southampton and will complement the existing Leyland and Ford activities of Hartwells.

GEI/MOSS

In yesterday's report on GEI's failure to gain control of Moss Engineering it was incorrectly stated that the Moss shares fell 1p to 93p. This should have read 4p down at 84p. The GEI shares eased back 1p to 93p.

MILLS & ALLEN

Mills and Allen International, outdoor advertising contractor and foreign exchange broker, has acquired 85 per cent of Hugh Paul Holdings, insurance broker, for £340,000.

The acquisition has been approved by the Committee of Lloyd's. The agreed purchase price is to be satisfied by the issue, credited as fully paid, of 141,943 new ordinary 50p shares in Mills and Allen International. The new ordinary will rank pari passu with the existing issued ordinary except they will not qualify for any interim dividend payable in respect of the half-year ended December 31, 1978.

Of these 141,943 shares, 33,800 have been retained by the vendors by way of consideration and the balance has been placed in the market.

OIL AND GAS NEWS

Gas in Exmouth Plateau

SEISMIC research has established for the first time that the Exmouth plateau region off the coast of north-west Australia contains gas, reports James Forth from Sydney. A number of major oil companies have obtained exploration areas in the region, which lies in deep water close to the North-West Shelf natural gas discoveries.

The news that gas is present in the structures was revealed at the annual conference of the Australian Petroleum Exploration Association (APEA) in Perth on Tuesday.

Mr. A. J. Wright, senior geologist with Shell Development (Australia), said that a "gas chimney" had been revealed by seismic investigations to exist in one of Phillips' northern plateau leases. The seismic work had also established that there were "amplitude anomalies" which may also indicate the presence of gas on leases held by Esso-BHP.

Exploration work on the Exmouth Plateau is starting to gather momentum. Phillips is due to start a drilling programme next month, while Hudson Bay and local company Woodside Petroleum are expected to begin drilling later this year. Mr. Wright said the rock structures in the plateau were of immense size "and the larger they are, potentially the greater amount of oil and gas they can contain."

He said the rock structure discovered would compare very favourably with that in the North Sea. The preliminary seismic work had established that the second rerequisite to oil—the specific types of sand—were there. The key source rocks were likely to be present but much would depend on whether they were mature enough to generate oil and gas, Mr. Wright added.

Further disappointment from the Baltimore Canyon Area comes with the news that Texaco has abandoned a second well drilled in the area following its failure to encounter oil or gas in commercial amounts.

The first well drilled on the same block last August created a good deal of excitement following the discovery of natural gas which flowed at a rate of 7.5m cubic feet a day from a deposit 14,000 feet below the seabed.

However, Texaco says that it plans to drill a third well on an adjacent southerly block to determine if the initial gas discovery is commercial.

Texaco has a 31.5 per cent interest in the venture. Other participants are Getty Oil with 20 per cent, Sun Oil (Delaware), with 16 per cent, Allied Chemical, 12.5 per cent, Transco Exploration, 10 per cent and Freeport Oil, a subsidiary of Freeport Minerals, also with 10 per cent.

NOTICE OF REDEMPTION

to the Holders of

The Japan Development Bank

Fifteen Year 5¾% Guaranteed External Loan Bonds

Due October 15, 1979

NOTICE IS HEREBY GIVEN that Four Hundred Sixteen Thousand Dollars ($416,000) principal amount of The Japan Development Bank, Fifteen Year 5¾% Guaranteed External Loan Bonds due October 15, 1979 and bearing the following serial numbers have been drawn for account of the Sinking Fund for redemption on April 15, 1979.

COUPON BONDS

31	954	1148	1657	2084	3015	3818	4635	5767	6397	7158	8303	10190	10684	11044	11957	12564
44	950	1165	1681	2082	3058	3823	4772	5841	6399	7163	8317	10224	10646	11134	11993	12577
121	962	1173	1689	2069	3073	3833	4782	5846	6422	7176	8399	10307	10655	11331	12052	12586
173	966	1188	1700	2096	3099	3856	4790	5880	6436	7185	8403	10350	10688	11401	12064	12617
178	972	1197	1705	2117	3117	3869	4801	5900	6445	7216	8460	10365	10689	11409	12068	12633
180	976	1202	1784	2121	3129	4103	4828	5919	6463	7365	8467	10435	10714	11443	12077	12645
213	981	1207	1795	2126	3143	4119	4892	5950	6475	7376	8567	10445	10743	11449	12083	12673
224	987	1215	1802	2163	3150	4126	4906	5966	6484	7391	8608	10456	10749	11468	12092	12765
233	994	1221	1807	2234	3163	4161	5023	5976	6497	7409	8649	10478	10750	11476	12100	12838
340	998	1228	1814	2356	3171	4220	5102	5978	6505	7417	8657	10504	10757	11526	12114	12845
422	1005	1526	1828	2382	3201	4415	5230	5992	6642	7459	8668	10518	10758	11533	12120	12849
715	1009	1550	1846	2388	3218	4439	5330	6008	6759	7672	8750	10531	10804	11587	12131	12897
721	1018	1563	1863	2405	3221	4471	5370	6030	6859	7718	8777	10560	10805	11549	12132	12900
726	1022	1580	1872	2453	3230	4484	5387	6043	6874	7762	8980	10567	10814	11553	12153	13005
876	1027	1582	1880	2625	3294	4519	5395	6053	6955	7786	9196	10572	10820	11637	12168	13030
888	1055	1590	1885	2634	3312	4526	5411	6080	6979	7829	9239	10580	10824	11657	12212	13326
901	1063	1598	1904	2643	3375	4532	5426	6088	7022	7889	9365	10584	10826	11726	12221	
904	1071	1605	1919	2650	3414	4541	5439	6125	7026	7985	9330	10588	10832	11778	12242	
908	1083	1616	1923	2664	3440	4550	5446	6148	7029	8052	9466	10593	10933	11791	12312	
918	1087	1620	1932	2667	3495	4591	5458	6178	7105	8055	9837	10601	10949	11804	12355	
923	1093	1628	1944	2680	3505	4615	5497	6323	7115	8108	9863	10605	10957	11814	12364	
931	1107	1633	1946	2693	3571	4616	5585	6332	7126	8110	9887	10606	10973	11822	12471	
939	1117	1638	1954	2865	3636	4619	5677	6351	7141	8150	9927	10617	10976	11826	12475	
942	1127	1646	1965	2917	3638	4627	5711	6368	7145	8159	9952	10621	11010	11873	12483	
946	1138	1652	1978	2989	3801	4632	5749	6378	7150	8283	10042	10629	11018	11948	12554	

The Bonds called for redemption will become due and payable on April 15, 1979 at the full principal amount. The holders of the above Bonds should present and surrender them for redemption on April 15, 1979 with the October 15, 1979 and subsequent coupons attached at The Bank of Tokyo Trust Company, 100 Broadway, New York, New York 10005, or at the offices of The Bank of Tokyo, Ltd. in London, Paris, and Dusseldorf, or at the office of the Banque Internationale à Luxembourg, Boulevard Royale 2, Luxembourg, Luxembourg. Coupons payable on April 15, 1979 should be detached and collected in the usual manner.

Interest on the Bonds so called for redemption will cease to accrue from and after the redemption date, to wit, April 15, 1979.

THE BANK OF TOKYO TRUST COMPANY
as Fiscal Agent

Dated March 8, 1979

NOTICE

The following coupon Bonds previously called for redemption have not as yet been presented for payment.

456	3439	4800	5765	5892	6068	6767	7831	8671	9085	10044	11535	12951	13795	15232	17950	19428
824	3563	4812	5772	5951	6074	6772	8152	8711	9086	10052	11654	13051	13903	16494	17984	19431
1524	3794	5324	5776	5967	6091	7386	8305	8752	9098	10188	11776	13174	14262	16495	18138	
2392	3808	5706	5777	5997	6147	7398	8318	8760	9145	10956	12118	13704	14902	17144	18204	
2418	3844	5757	5780	6000	6507	7488	8402	8770	9278	11274	12262	13746	15110	17288	18209	
2490	4177	5760	5781	6022	6757	7742	8407	8780	9660	11357	12670	13760	15122	17817	18461	
2831	4221	5762	5828	6042	6765	7745	8461	8793	9671	11485	12682	13790	15142	17944	19427	

NOTICE TO HOLDERS OF

6% Convertible Bonds Due 30th September, 1992 of

Sumitomo Electric Industries, Ltd.

(Sumitomo Denki Kogyo Kabushiki Kaisha)

Pursuant to Clause 7(B) and (C) of the Trust Deed and Condition 5 of the terms and conditions of the Bonds dated as of September 29, 1977 under which the above Bonds were issued, notice is hereby given as follows:

1. On December 18, 1978 the Board of Directors of the Company resolved to issue 34 million shares by way of public offering at the price Yen 265 per share and to make a free distribution of shares of its Common Stock to shareholders of record as of March 31, 1979 (Japan Time), at the rate of 1 share for each 10 shares held.

2. Accordingly, the conversion price of the Bonds will be adjusted effective immediately after such record date. The conversion price in effect prior to such adjustment is Yen 223 per share of Common Stock, and the adjusted conversion price is Yen 202.00 per share of Common Stock.

SUMITOMO ELECTRIC INDUSTRIES, LTD.

March 15, 1979

THE BANK OF YOKOHAMA, LTD. LONDON

Negotiable Floating Rate U.S. Dollar Certificates of Deposit maturing 15 March 1982

In accordance with the provisions of the Certificates of Deposit, notice is hereby given that for the interest period from 15 March 1979 to 15 September 1979 the Certificates will carry an Interest Rate of 11¼% per annum.

15 March 1979 — Agent Bank First Chicago Limited

NORTH AMERICAN NEWS

Woolworth has record year earnings

BY JOHN WYLES IN NEW YORK

F. W. WOOLWORTH, the multinational retailer, yesterday celebrated its centenary year by publishing record earnings in 1978 which seem to testify to the progres of a new corporate strategy.

Frank W. Woolworth opened his first five and ten cents store in Utica, New York, on February 22, 1879, since when the name hsa become a high street institution in the U.S. and four other countries. But increased competition from other retailers allied to management errors, lodged the companies earnings firmly in the $93m to $108m range in four of the five years between 1973 and 1977.

However, the rise of Mr. Edward Gibbons to the chairmanship in February, 1977, led to changes in marketing policies and an attempt to cluster stores in major markets. This has helped to raise the profitability of the American operation which was a major factor in a 52 per cent earnings gain in 1978 over 1977.

However, the size of the 1978 profits rise was inflated by accounting rules which depressed 1977 income because of foreign currency changes. The net effect was to wipe 72 cents a share off 1977 earnings compared with only 7 cents in 1978.

Woolworth's fourth quarter profits ended January 31 rose 27.7 per cent to $83.3m compared with $65.2m. Sales increased from $1.732bn to $1.954bn. This brought full year earnings to a peak of $130.3m ($4.34 per share) compared with $95.5m ($2.81 per share). Sales increased from $5.53bn to $6.1bn.

The company's net income included its 52.7 per cent share in F. W. Woolworth of Great Britain whose fourth quarter income contribution was $22.3m compared with $15.9m the year before. Full year profits from Britain rose from $16.3m to $25.4m.

Worldwide Woolworth's opened 286 stores last year and closed 125, leaving it with 5,788. All of the company's stores at home and overseas apparently had a good year with Kinney Shoe Corporation being an outstanding domestic performer. The Richman Brothers men's clothing stores made a record contribution to operating earnings after a disappointing year in 1977.

Overseas, UK, Canadian and West German operations have all recently won praise from the company's management.

Capital worry for car groups

WASHINGTON — Linda Dorian, assistant director of the Federal Trade Commission's Consumer Protection Bureau, said she was concerned that Chrysler Corporation and American Motors Corporation might not be able to find sufficient funds to make capital investments needed to accomplish required mileage improvements in their cars.

Mr. Charles Schultze, the chairman of President Carter's Council of Economic Advisers, said that the council hoped to have a preliminary assessment by the middle of April on the economic effects of easing the mileage improvement standards in the early 1980s.

He said the government still intended to reach its 1985 goal of an average automobile mileage of 27.5 miles per gallon from the present 18 to 19 miles per gallon.

Mr. S. L. Terry, Chrysler Corporation's vice president, told the subcommittee that the U.S. auto industry would have to invest nearly $80bn in new facilities, equipment and technology, to accomplish the improvements.

Reuter

McDonnell Douglas nearer goal

BY OUR FINANCIAL STAFF

McDONNELL DOUGLAS Corporation is making "substantial progress toward its long-time goal of an even balance between commercial and government business, the aerospace corporation says in its 1978 annual report.

A record $6bn backlog of firm orders is divided equally between commercial and Government business.

At the same time McDonnell Douglas has announced that according to preliminary indications it was, for the third consecutive year, first in the U.S. in the dollar value of prime defence contracts awarded. Military aircraft sales in 1978 totaled nearly $2.3bn.

The report says that the F-18 Hornet strike fighter that McDonnell Douglas is building for the U.S. Navy is demonstrating excellent handling characteristics and engine performance in its flight test programme.

Last month, the U.S. Department of Defence said it was increasing the number of Hornets it intended to procure from McDonnell Douglas from 811 to 1,366—a 68 per cent increase.

The McDonnell Douglas report also announced cash and short-term investments of $588m and debt of $80m. "We have, accordingly, no financing needs at present and are in an increasingly good position to invest in the plant and equipment, research and development and new programmes that are essential to long-term success in the aerospace industry."

On the commercial airline side, firm orders for the DC-10 wide-bodied transport increased 48 per cent in 1978 and that orders for the DC-9 twin-jetliner were up 29 per cent. Almost all delivery positions for the DC-10 are sold out until the second half of 1981.

The company made progress in the recovery of deferred costs of the DC-10 programme. Such costs declined from $629m at the end of 1977 to $574m at the end of 1978.

"More importantly," it is said, "we now forecast that about $313m of these costs will be amortised by the 55 firm DC-10 orders on hand." This leaves 76 more firm orders required to complete the DC-10 accounting pool of 400 airplanes, and a substantial part of these is expected from the 56 conditional orders and options on hand.

Brazilian exchanges re-list Petrobras

RIO DE JANEIRO — Shares in Brazil's 80 per cent state-owned Petroleo Brasileiro (Petrobras), were re-listed on the Rio and Sao Paulo stock exchanges again yesterday after their suspension on Friday.

Petrobras has clarified that it intends to raise its capital to Cr 56.61bn ($25m) from Cr 37.74bn by increasing the nominal value of each share to Cr 1.50 from Cr 1.

The exchanges suspended trading in Petrobras on the grounds that it had not supplied sufficient details about its capital increase, originally planned at 40 per cent.

Meanwhile, the Sao Paulo and Rio exchanges suspended trading in Light Services de Eltricidade, the main energy supplier in the Rio and Sao Paulo areas, again for reasons concerning an increase in capital. Reuter.

Citicorp, Dreyfus examine cash plan

By Stewart Fleming in New York

DREYFUS CORPORATION, a leading mutual fund group, and Citicorp, holding company for the largest New York bank, are examining the feasibility of a link to allow Dreyfus investors to withdraw cash from automatic tellers at Citibank branches.

The talks are at a preliminary stage and it is too early to predict the outcome. The move is significant, however, as further evidence of the way in which technological innovations in the financial sector can break down traditional methods of doing business.

Citicorp has taken the lead in New York in placing automatic tellers at its branches which allow customers to make deposits and withdrawals 24 hours a day.

The Dryfus proposal is that the computer system be adapted to allow its customers to withdraw funds directly from the Dreyfus Liquid Assets Fun, a fund investing primarily in money market instruments.

Money market funds have been booming over the past year, as returns have risen with higher interest rates. Some $15bn is now invested. Some of the funds are offering investors cheque writing facilities.

The rapid growth of these new savings schemes has been cited as one of the explanations of the puzzling performance of the U.S. money supply. It is suggested that investors have transferred funds from bank accounts which are counted in the money supply to money market funds which are not.

Continental bid runs into anti-trust snag

By David Lascelles in New York

CONTINENTAL GROUP, the major New York-based insurance concern, said that it had been queried by the anti-trust division of the Justice Department about its proposed acquisition of California-World Financial Corporation, the West Coast insurer.

In a letter, the Department said the acquisition "raises serious and substantial questions under the anti-trust laws as to the possibility of a violation." The letter informally requested clarification and more information.

The Justice Department's action could be significant in the context of the numerous mergers afoot in the insurance industry, the full anti-trust implications of which are not clear. The largest is Aetna's bid for American Re-Insurance, worth $340m.

Although insurance is not strictly trade within the meaning of the anti-trust laws, certain aspects of its business, like consolidation of agencies, are affected.

Record start for Dayco

DAYTON—Drayco Corporation, manufacturer of rubber and plastics products, achieved record earnings for the first quarter of $4m after tax against $2.3m last time.

Fully diluted earnings per share were 54 cents compared with 37 cents, restated to reflect 10 per cent stock dividends.

Revenue was 23 per cent up at $173.4m.

Mr. Richard J. Jacob, the chairman and chief executive, said the first quarter results reflected continued earnings growth of virtually all Dayco's divisions.

Speaking last week at the annual meeting, Mr. Jacob said he was hesitant to predict record results in 1979, but was confident the company would do well.

He added that Dayco had a number of new or additional products planned for introduction in 1979.

BANK OF ENGLAND QUARTERLY

Analysis defends role of the Euromarkets

BY MARY CAMPBELL

THE LATEST issue of the Bank of England's Quarterly Bulletin, contains an article which joins in the debate on whether Euromarkets actually contribute to international financial instability.

The article deals with the relationship between domestic and Eurocurrency interest rates, notably in the case of U.S. dollars and D-marks. However, the author, Mr. R. B. Johnston of the Bank of England's overseas department, suggests in his analysis that many arguments that the Euromarkets create credit independently of domestic monetary systems are invalidated.

Alternative channel

The substance of Mr. Johnston's argument was stated by the Governor of the Bank of England in his February speech at the Overseas Bankers Club when he said: "There are patently very close links between the financial markets across the world . . . the closeness of the links is clearly illustrated by the arbitrage margins. For the past four years, the difference between the marginal cost to banks of three-month funds in the Eurodollar and domestic U.S. markets has remained virtually zero. This suggests to me that the international banking markets are essentially an alternative channel for financial flows . . . rather than a separate monetary engine."

In making these statements, the Governor of the Bank was rebutting suggestions from German and U.S. Central Banks that the Euromarket is in some respects an independent pool of funds.

Meanwhile, the latest of the Bank of England's regular analyses of the maturities of London banks' Eurocurrency deposits and loans, suggests that there has been a further improvement at the short end. The statistics relate to last November and showed that an improvement had already occurred between May (when the banks were particularly exposed to withdrawal of short-term deposits) and the next reporting date in August.

Between August and November, the banks net deposits at maturities of under eight days fell from 4.5 to 3.6 per cent of total deposits, if one counts certificates of deposit as immediately realisable assets, or from 6 to 5 per cent of the total otherwise. Net deposits in the next maturity band (eight days to under a month) also fell slightly in relative terms.

This further cut in banks' vulnerability to short-term deposit withdrawals was accompanied by greater exposure at the middle maturity of between one month and three months. The mismatch, or net deposit position in this maturity band grew from 4.1 to 5.7 per cent of total deposits.

Other statistics in the Bulletin show that there was a $4.25bn flow of funds from the U.S. to the London market during the fourth quarter. The biggest takers of funds were the Western European industrial countries ($5.5bn, of which Germany accounted for over $2bn, Switzerland for about $2bn, and Belgium?Luxembourg—the big entrepôt centre for D-Mark business—over $1bn).

The oil-exporting countries also took $2bn on a net basis but due to cuts in deposits rather than increases in bank lending.

Growth slows

Overall, the Bank says that the underlying growth of the Eurocurrency market in London was probably a little slower than in the third quarter, after allowances for seasonal factors and the statistical effects of currency valuation changes.

Central bank deposits in London fell very sharply during the last quarter of last year, from their peak level of $45bn to $41.9bn.

EUROBONDS

Welcome for GEC £50m issue

BY FRANCIS GHILES

THE WARM reception afforded to the £50m issue announced on Tuesday night for General Electric Company, which carries a 12½ per cent coupon was the major talking point in the bond markets yesterday. The success of what is the largest sterling denominated bond to date is seen as a sign that the Eurosterling sector could be facing happier times than has been the case until recently.

Trading in seasoned sterling bonds was reported active with prices generally up by ¼ to ½ a point.

In the dollar sector trading was quiet with prices easier on the day.

Prices of Swiss franc denominated bonds moved up by ½ to a full point across the board: essentially the pressure from sellers stopped. The market has still some way to go for recovery, however.

Union Bank of Switzerland has confirmed that the SwFr 300m issue for Canada has not been covered. Receipts amounting to about two-thirds of the total amount of the bond are believed to have been received.

A domestic issue and a Swiss Government bond were undersubscribed last month, a most unusual event.

It is believed to be the first time this has happened and been publicly acknowledged where a foreign bond is concerned.

The big three Swiss Banks who operate an informal calendar of new foreign bond issues, may well decide when they meet before the end of March that the volume of new issues of foreign bonds for the next quarter should be reduced.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on March 14

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aga Akt. 9¼ 88	25	94	94½	−0½	−0¼	10.23
Bayer Int. F. XW 7¾ 89	200	83½	84	−0⅛	−0⅛	9.90
CECA 9¼ 84-89	50	95⅞	96⅜	0	+0⅛	9.80
Canada 9 83	400	97⅞	98⅛	−0⅛	−0¼	9.74
Canada 9¼ 98	350	96	96½	−2½	−0⅛	9.91
Canadair 9½ 83	70	95	95½	0	+0⅛	9.90
Dominion Bridge 9 86	25	93½	94¼	0	+0⅛	10.22
Dow Chem. O/S 9¼ 84	200	97	97½	0	+0⅛	9.86
EIB 9¼ 98	125	†94½	95¼	+0⅛	+0⅛	9.83
Export Dv. Cpn. 9.85 84	150	100⅛	100⅝	−0⅛	+0⅛	9.85
Export Dv. Cpn. 9¼ 84	100	97⅛	97⅝	+0⅛	+0⅛	9.87
Eksportfinans 9 86	50	96¼	96¾	0	+0⅛	9.76
Finland 8¾ 83	100	96	96½	−0⅛	0	10.08
Finland 9 86	100	95	95½	−0⅛	+0⅛	10.02
Finland 9½ 86	100	97⅛	97⅝	0	+0⅛	10.01
GTE Fin. 9½ 84	50	97⅞	98⅜	0	+0⅛	9.99
Gould Int. Fin. 9¾ 85	50	99⅜	99⅞	+0⅛	+0⅛	9.83
Hospital O/S 9 83	25	96⅞	97⅜	0	+0⅛	9.79
Hudson Bay Co. 10 84	50	100¼	100¾	−0⅛	+0⅛	9.93
Ital Finance 9¾ 90	30	94½	94⅞	−0⅛	+0⅛	10.56
J. C. Penney 8½ 83	100	95¾	96¼	+0⅛	0	9.67
Manitoba 9½ 89	75	96⅞	97⅜	+0⅛	+0⅛	9.97
Nat. West 9 86	75	95⅜	95⅞	0	0	9.85
New Brunswick 9¾ 94	75	97⅛	98⅛	0	+0⅛	10.03
Newfoundland 9¼ 90	50	95⅜	96⅜	−0⅛	+0⅛	9.86
Newfoundland 10 94	50	98½	99	0	0	10.17
Nord. Inv. Bk. 8¾ 88	25	94½	94⅞	0	0	9.65
Norsk Hydro 9¼ 94	50	94⅞	95⅜	0	+0⅛	9.88
Norway 7¾ 83	250	93	93½	0	+0⅛	9.93
Norway 9¼ 83	150	96½	97	−0⅛	−0⅛	9.92
Norway 9¾ 84	150	100⅛	100⅝	0	+0⅛	9.84
Ont. Hydro 9½ 86	125	94	94½	0	+0⅛	9.76
Portland 10 84	50	96⅞	97⅜	0	+0⅛	10.77
Quebec Hydro 9½ 93	50	96½	97	0	0	9.92
Redland Fin. XW 9½ 91	25	91¼	91¾	0	+0⅛	10.80
Sears Roebuck 9 82	150	97⅞	98⅜	0	+0⅛	9.76
UK 8½ 85	200	95⅛	95½	−0⅛	+0⅛	9.68
UK 8¾ 93	150	94⅝	95⅛	+0⅛	+1	9.73

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 6¼ 87	70	96½	96⅞	0	−0⅛	6.05
Argentina 6½ 88	150	94	94½	−0⅛	−0⅛	7.33
Australia 6 88	250	99¼	99⅞	0	−0⅛	6.05
Austria 5¾ 90	150	†92½	93	−0⅛	+0⅛	6.66
Banco Desarrollo 7¼ 86	100	98	98½	0	−0⅛	7.58
Bankamerica 5¾ 90	150	97⅛	98¼	0	0	5.99
Bq. Ext. Algerie 7¼ 85	100	96⅛	97⅛	−0⅛	−0⅛	7.89
Brazil 7¼ 87	150	100	100½	0	−0⅛	7.20
CECA 6 88	150	96¾	97¼	+0⅛	+0⅛	6.42
Ch. Manhttn. O/S 6 93	100	99⅛	99⅝	0	−0⅛	6.06
Commerzbank XW 3½	100	81½	82½	+0⅛	+0⅛	6.15
Copenhagen City 6 90	75	91⅞	92⅜	+0⅛	+0⅛	6.99
Council of Europe 6¼	130	96⅞	97⅜	+0⅛	−0⅛	6.09
Denmark 5¾ 85	100	96⅛	96⅝	0	0	6.45
Denmark 6½ 89	100	96⅜	97⅜	−0⅛	+0⅛	6.94
EIB 6 90	300	93¾	94¼	0	0	6.78
EIB 6½ 91	200	96⅞	97⅜	−0⅛	−0⅛	6.88
Eletrobras-Brazil 7 87	100	97	97½	0	−0⅛	7.47
Eurofima 6½ 89	100	100½	100⅞	0	+0⅛	6.44
Finland 6 83	150	99⅝	100⅛	0	0	6.05
Hitachi Ship. 5¾ 83	50	98⅞	99⅜	+0⅛	+0⅛	6.05
Indonesia 7 84	100	98	98½	−0⅛	−0⅛	7.38
Kobe, City of 5¾ 88	100	93⅛	99⅝	−0⅛	−0⅛	5.96
Megal Fin. 7 89	150	†98⅛	98⅝	0	−0⅛	7.25
Mitsubishi Petro. 5¾ 86	100	98	98½	−0⅛	−0⅛	6.08
New Zealand 6¼ 87	200	99⅜	99⅞	−0⅛	0	6.29
Nippon Steel 5¾ 86	100	97⅞	98⅜	0	0	6.08
Nippon Tel. & T. 5½ 87	100	95¾	96¼	−0⅛	−0⅛	6.17
Nordic Inv. Bk. 6¼ 86	60	97⅞	98⅜	−0⅛	0	6.60
Norges Komm. 6 90	100	95⅛	95⅝	0	−0⅛	6.57
Norges Komm. 6¼ 89	150	97⅛	97⅝	0	0	6.55
Occidental 6¾ 90	150	96⅝	97⅛	0	+0⅛	7.15
OKB 6½ 88	100	99⅞	100⅜	−0⅛	−0⅛	6.48
OKB 6 87	40	97⅞	98⅜	−0⅛	−0⅛	6.27
Petroleo Brazil 7 88	100	97⅞	98⅜	0	+0⅛	7.31
Ricoh 5¾ 83	30	97⅛	97⅝	−0⅛	−0⅛	5.83
Statoil 6 88	150	96¼	96¾	−0⅛	+0⅛	6.50
Statoil 6½ 89	150	97⅜	97⅞	0	+0⅛	6.82
UDS Group 5¾ 83	65	96½	97	−0⅛	+0⅛	6.60
Union Bank-Finn 6½ 88	50	95	95½	0	+0½	7.19
Venezuela 6½ 90	150	92½	93¼	0	−0⅛	7.43
World Bank 6¼ 88	400	97¼	97¾	+0⅛	0	6.60

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¼ 88	40	102⅞	103⅜	+0⅜	−1½	4.82
Amer. Exp. Int. 3½ 93	40	97¾	98¼	+0⅛	−1¼	3.88
Asian Dev. Bank 3½ 94	100	90⅞	91⅛	+0⅛	+0½	4.32
Austria 3½ 93	100	94	94½	+0⅛	−2¼	4.02
Brazil 4¾	100	99½	99⅞	+6⅛	−0⅛	4.30
Chase Manhattan 4 93	70	100⅛	100⅝	−0⅛	−1¼	3.98
Council of Europe 4¼	100	100⅛	100½	0	−2¼	4.21
Bankamerica 3¾ 93	90	98	98½	+1	−2¼	3.93
BNDE 5 88	75	101½	102	0	−0⅛	4.76
Denmark 4½ 90	100	102⅜	102⅞	−0⅛	−0⅛	4.20
EIB 4¼ 93	100	100⅜	100⅞	−0⅛	−0⅛	4.18
Euratom 4¼ 93	80	99⅛	99⅝	+0⅛	−1¼	4.31
F. L. Smidth 4½ 89	25	102½	103	+0⅛	−0⅛	4.17
Finland 4½ 93	80	100⅞	101⅛	−0⅛	−0⅛	4.39
GZB 4¼ 93	100	102⅛	102⅝	+0⅛	−1	4.27
Heron 4¾ 89	35	99⅛	99⅝	+0⅛	−1¼	4.33
ICI Fin. NV 3¾ 94	230	†94⅛	94½	+1	+0⅛	4.01
Malaysia 4¾ 90	80	98⅜	98⅞	+0⅛	−0⅛	4.90
New Zealand 3¾ 94	120	94	94½	−1½	−2⅛	4.02
Norges Komm. 4¼ 90	100	101⅞	102⅛	0	−1⅛	4.01
Oy Nokia 5 90	20	103⅞	104⅛	+1⅛	+1⅛	4.56
Sandvik 4 90	85	97⅜	97⅞	0	−1¼	4.26
Sons 4½ 88	15	101½	102	+0⅛	−0⅛	4.28
Voest Alpine 4½ 93	100	101⅞	102⅜	+0⅛	−1½	4.30
Vienna 4 93	100	99⅞	100⅛	+0⅛	+0⅛	3.99
World Bank 4¼ 93	250	100⅛	100⅝	0	+0⅛	4.19

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 6¾ 88	15	87⅞	88⅜	0	+0⅛	7.52
Australia 5.6 83	30	96½	97¼	+0⅛	−0⅛	6.44
Australia 6½ 88	20	93¾	94¼	0	+0⅛	7.57
[illegible] 6.4 90	30	91½	92¼	0	+0⅛	7.65
Finland 5.6 83	10	95¼	96¼	0	−0⅛	6.76
Finland 6.8 88	10	93½	94½	0	0	7.83

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ AS	12	94¼	96¼	+0⅛	+0⅛	[illegible]
Auto Cote B. 7 93 EUA	16	92	93	−0⅛	+0⅛	[illegible]
Komm. Inst. 7½ 93 EUA	15	97½	98½	0	+0⅛	[illegible]
Panama 8¼ 93 EUA	20	95	96	+0⅛	+0⅛	[illegible]
SDR France 7 93 EUA	22	94¼	95¼	+1½	+2	[illegible]
Algemene Bk. 6¾ 83 Fl	75	94¼	95¼	0	+0⅛	[illegible]
CFE Mexico 7¾ 83 Fl	75	98⅛	99⅛	+0⅛	−0⅛	[illegible]
EIB 7½ 85 Fl	75	94¼	95¼	+0⅛	0	[illegible]
New Zealand 6¾ 84 Fl	75	94½	95	−0⅛	−0⅛	[illegible]
Norway 8¼ 84 Fl	100	100⅛	100⅝	+0⅛	0	[illegible]
Elf Aquitaine 9¾ 88 FFr	150	99⅛	99⅝	0	−0⅛	[illegible]
EIB 9¾ 88 FFr	200	99	99½	0	0	[illegible]
Norway 9¼ 84 FFr	200	99⅛	100	0	0	[illegible]
PSA Peugeot 9¾ 87 FFr	175	99¼	99¾	0	0	[illegible]
Unilever 10 85 FFr	100	101½	101⅞	+0⅛	−0⅛	[illegible]
CECA 9¾ 89 £	20	87½	88	−0⅛	+1½	[illegible]
Citicorp 10 93 £	20	86⅞	87⅜	+0⅛	+0⅛	[illegible]
EIB 9¾ 88 £	25	89¾	90¼	0	+1½	[illegible]
Finance for Ind. 13 91 £	15	101½	101⅞	−0⅛	−0⅛	[illegible]
Fisons 10¼ 87 £	10	90⅞	91⅜	−0⅛	+1	[illegible]
BAT 8 88 LuxFr	250	97	97½	0	+0⅛	[illegible]
Bayer Lux. 8 86 LuxFr	250	97⅝	98⅛	+0⅛	0	[illegible]
EIB 7¾ 88 LuxFr	250	96⅞	97⅜	−0⅛	0	[illegible]
Finland I. F. 8 88 LuxFr	250	97⅛	97⅝	−0⅛	−0⅛	[illegible]
Norway 7¾ 83 LuxFr	250	97⅛	98⅛	0	0	[illegible]
Norges Km. 8 86 LuxFr	500	99	100	+0⅛	+0⅛	[illegible]
Renault 7¾ 88 LuxFr	500	96⅞	97⅜	0	+0⅛	[illegible]
Solvay Fin. 8 85 LuxFr	500	100⅛	100⅞	+0⅛	+0⅛	[illegible]
Swedish Bk. 8 88 LuxFr	500	99¼	100	0	+0⅛	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bk. M6.5 83	0¼	98½	98⅞	31/7	11.44	[illegible]
BFG Fin. Co. M5.5 89	0¼	98⅛	98⅝	12/7	12.4	[illegible]
Bco. El Salvador M8 83	1¼	97⅞	98⅛	12/4	11.31	[illegible]
Bco. Nac. Argnt. M8 83	0½	99⅝	100⅛	21/7	12⅛	[illegible]
Banco Urquijo 6 88	0¼	97¾	98¼	21/3	—	
Bank of Tokyo M5½ 93	0¼	97⅛	97⅝	18/4	10⅛	[illegible]
Banque Worms M5¾ 85	0¼	98⅛	98⅝	15/6	12	[illegible]
Bq. E. d'Alg. M8.375 84	0¼	96⅜	97⅛	9/8	11⅞	[illegible]
Bq. E. d'Alg. M7.5 85	0¼	95¼	95¾	2/5	12⅛	[illegible]
Bq. Indo et Suez M5½	0¼	99	99½	25/7	12	[illegible]
Bq. I. Af. Occ. M6.5 83	0¼	97⅞	98⅛	12/7	12.4	[illegible]
BNP 5½ 91	0¼	97⅞	98⅛	22/2	11⅛	[illegible]
CCCE M5.25 98	0¼	97½	98	3/8	11⅛	[illegible]
Ch. Man. O/S M5¾ 93	0¼	97½	98	27/7	11.73	[illegible]
Credit National M5¾ 88	0¼	98⅜	98⅞	11/7	12.31	[illegible]
Gotabanken M6 88	0¼	98⅜	98⅞	15/5	12.31	[illegible]
Ind. Bk. Japan M5½ 85	0¼	99⅝	100⅛	1/6	12.35	[illegible]
Ljubljanska M7.75 85	1	96⅞	97⅜	18/7	12.94	[illegible]
LTCB Japan M5¾ 85	0¼	99⅛	99⅝	9/5	12.06	[illegible]
Midland Intl. M5½ 93	0¼	98⅜	99⅛	20/7	12⅛	[illegible]
Nat. West. M5½ 90	0¼	99	99½	21/6	12½	[illegible]
Nipp. Crdt. Bk. M5.5 85	0¼	99⅝	100⅛	22/6	12.81	[illegible]
OKB M5¾ 88	0¼	100	100½	18/4	10.56	[illegible]
Offshore Mining 86	0¼	98⅞	99⅜	19/7	12.19	[illegible]
Petro Mexicano 7¾ 84	0¼	98⅜	98⅞	24/7	12.06	[illegible]
Privredna Banka M8 86	0⅞	95¾	96½	22/6	13.44	[illegible]
Standard Chrt. M5.5 90	0¼	97⅛	97⅝	10/8	11.56	11.8
Sundsvallsbnkn. M6 85	0¼	97¼	97¾	4/4	10.06	10.3

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem.
Asics 5¾ 93	9/78	628	89	90	−0½	4.74
Baker Int. Fin. 6½ 93	1/79	34	109½	110	+1	5.11
Boots 6¾ 93	2/79	2.16	104	104¾	+0⅛	−6.75
Ciba-Geigy O/S F. 4 94	9/78	675	93⅛	93¾	−0⅛	−12.06
Coca-Cola Bottling 6¾	4/79	9	85¼	85¾	−0⅛	23.12
Honda Motor 5½ 89	5/79	532	89¾	90¼	+0½	3.18
Ito-Yokado 5¾ 93	6/78	1339	113⅞	114⅜	−0⅛	−0.58
Novo Industri 7 89	4/79	259	90⅝	91⅛	−1⅛	9.89
Texas Int. Air. 7½ 93	4/79	14.5	91¼	92¾	−0⅛	9.19
Thorn Int. Fin. 7 88	11/78	3.67	111⅛	111⅝	−0⅛	−5.51
Tyco Int. Fin. 8½ 88	9/78	21	101¾	102¾	−0⅛	11.55
Asahi Optical 3½ DM	12/78	583	95⅝	96⅛	−0⅛	0.59
Casio Cp. 3½ 85 DM	11/77	841	93¾	94⅛	−1⅛	7.47
Izumiya 3½ 86 DM	10/78	989	88⅜	89⅜	−0⅛	13.31
Jusco 3½ 86 DM	1/79	1154	88½	89½	0	23.91
Kansai Elec. 4 84 DM	4/79	1350	91⅞	92⅞	−0⅛	12.29
Konishiroku 3½ 85 DM	1/79	612	89⅞	90⅞	−0½	10.90
Merudai Food 3½ DM	2/79	1033	88½	89½	−0⅛	26.47
Murata M. 3½ 86 DM	11/78	854	97⅞	98⅞	−0⅛	−1.48
Nipp. Air. 3.5 88 DM	12/78	506	85⅛	86⅛	−0⅛	1.51
Nippon Shinpan 3¾ DM	8/78	738	96½	97⅛	−0⅛	1.11
Nippon Ysn. 3½ 85 DM	1/79	251	92½	93½	−0⅛	6.65
Nissan Diesl. 3½ 86 DM	2/79	477	89½	90½	−0⅛	8.16
Olymp. Opt. 3½ 85 DM	2/79	703	99½	100½	−0⅛	−3.01
Ricoh 3½ 86 DM	10/78	617	92½	93½	−0⅛	14.19
Sanyo Electric 3½ DM	11/78	295	89⅛	90⅛	−0⅛	0.89
Sharp Co. 3½ 88 DM	2/79	487	92½	93⅛	−1⅛	−1.20
Stanley Elec. 3½ DM	11/78	523	88⅜	89⅜	−0⅛	24.28
Tokyo Elec. 3½ 87 DM	4/79	476	90	91	−0⅛	0.28
Tokyu Ld. Cp. 4 86 DM	4/79	493	90⅛	91⅛	−0⅛	8.78
Trio-Knwd. 3½ 86 DM	11/78	711	85⅛	86⅛	−0⅛	28.70

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

ergen Bank hit by currency deals

AY GJESTER IN OSLO

N BANK, Norway's largest commercial s cutting its dividend for 6 per cent, from 9 per artly because of losses of 0m ($10m) on foreign y dealings last year. lay trading in the bank's was temporarily led on the Oslo Stock ge.

e same time the head of ank's foreign currency nent, Mr. Svein Haga, has d. He told the Press e felt he no longer l the full confidence of agement.

Finn B. Henriksen, Bank's managing direc- d there was no doubt e allocation of responsibility for the loss. During a period when currency rates had been fluctuating strongly, the bank's standing instructions regarding limitation of risk on "open positions" vis-a-vis other banks had not been followed.

In addition to the losses on currency trading, Bergen Bank made known write-offs totalling NKr 39.8m last year, compared with NKr 15.9m a year earlier. Some NKr 19m of this year's losses were on shipping loans, and NKr 16m resulted from a bankruptcy of an industrial firm, Stavanger Staal.

The board does not at present see any further large loan write-offs, but points out that "the serious profitability problems in business and industry make forecasting for 1979 more uncertain than usual."

Net profits at Bergen Bank fell to NKr 25.8m from NKr 32m. Total assets showed only a small rise, by NKr 600m to NKr 11.9bn at end-1978.

In sharp contrast the report presented by Den Norske Creditbank, Norway's largest commercial bank, shows profits after tax and depreciation sharply up to NKr 102.2m ($20.4m) from NKr 85.3m a year earlier. Ironically, the improvement was due mainly to increased profits on foreign currency transactions and a rise in net interest income from 2.52 to 2.80 per cent of average capital employed.

The present Norwegian price and incomes freeze prevents the bank from improving on last year's dividend, however—an unchanged 11 per cent is being paid.

Total assets rose to NKr 15bn, from NKr 13.7bn. Profits ploughed back during the year raised equity capital to NKr 887m, at end-1978, from NKr 852m a year earlier. This is well above the minimum, in relation to the bank's total assets, required by the Government.

Even so, DNC plans to increase capital this year by NKr 65m to NKr 520m, through a one-for-seven rights issue at par—in order to strengthen the basis for further development.

ddeholm ays in e red

tor Kayfetz in Stockholm

OLM, the Swedish con- te *which sold its forest* and chemicals interests rud last August but kept elmaking and power- ng sectors, reported a loss for 1978 of m ($74m) after financial his was an improvement 63m on the preceding he Board proposes no for the third year run-

ompany predicted that unforeseen business raw material or trade obstacles, "there is a l for Uddeholm to show surplus after financial 1979." Most of this im- nt would be due to y measures and better ng of steel products, it

olm's loss before finan- s was SKr 146m, against loss of SKr 319m. The ure includes a loss of m for the first seven but an operating profit 30m for the remaining ths, immediately after the forest product and s units.

during 1978 totalled bn ($583m), compared r 2.6bn the year before. nd power generation d for SKr 2bn of 1978 , up 15 per cent for ctors. In the seven they were still part of n, chemicals and forest recorded sales of n, up 18 per cent from period of 1977.

rdinary income in 1978 147m, against a loss 4m the previous year. this gain consisted of s connected with trans- e forestry and chemi- rs to the new company Uddeholm AB.

7 Uddeholm recorded as income a government SKr600m designed to carry out necessary re- ng "at a balanced The company has not ese funds, but, having d restructuring of its terests, has come to an nt with the State to he amount of the loan 200m effective last De- 31, recording this sum as a tax-deductible ex-

olm today announced reorganise its strip ision into a company of per cent would be held ivik. The latter com- uld supply certain types steel currently pro- y Uddeholm at Hagfors. Uddeholm to shift staff hnical resources to its pansive *tool steel* opera-

n banks

report yesterday on the f the European Unit of it was incorrectly at Kredietbank was the Belgian bank. The posi- as follows:—1. Société e de Banque with last d assets of BFr 748bn, que Bruxelles Lambert bn and 3. Kredietbank bn.

Suez Finance lifts dividend

BY DAVID WHITE IN PARIS

LAST YEAR'S assurances by Compagnie Financiere de Suez, holding company for the French Suez group, have been more than fulfilled with a proposed increase in dividend despite a slight fall in net profit.

The shareholders' payout is being put up to FFr 18 per share from FFr 17, or, including fiscal benefit, from FFr 25.50 to FFr 27. Net profit for the company, which heads a wide-ranging financial, industrial and property empire, dropped back to its 1976 level of FFr 169m ($39m), after showing a small improvement in 1977 to FFr 171m.

The board said that the 1977 result had been swollen by exceptional earnings: operating profit last year was well up at FFr 181m compared with FFr 157m. Suez plans to ask shareholders' authorisation to increase its permanent funds either by a share issue or by convertible bonds, but the board added that it *had no detailed* plans at present for using this facility.

* * *

THE LESIEUR GROUP, the leading French edible oils producer which completed a reorganisation in its ownership structure last year, is moving into the tinned food business, its first major diversification.

Lesieur Cotelle et Associes, the operating company, announced preliminary agreement to take over control of William Saurin, an important group in the sector with an annual turnover of about Ffr 380m ($88m). William Saurin is estimated to account for about a quarter of French output of pre-cooked tinned foods, mainly instant meals such as Sauerkraut and Sausage. It is currently 82 per cent controlled by a family holding company, *Omnium de Participation* Agro-Alimentaire.

Lesieur said its agreement with the majority shareholders of the latter company would enable it to take over control "subject to diverse conditions being met." It gave no financial details of the operation.

The Lesieur operating company was last year brought under almost entire control of Cie Financiere de Lesieur, whose principal shareholders are Banexi, part of the State-owned BNP banking group, and the Lesieur family. Barclays Bank has a small indirect shareholding.

Write-offs send Pakhoed net profits tumbling

BY CHARLES BATCHELOR IN AMSTERDAM

CONTINUING PROBLEMS with its tank storage activities in Holland further reduced profits of Pakhoed Holdings in 1978. Substantial profits on the sale of property were more than offset by write-offs caused by the closure or revaluation of the assets of some of its operations.

Pakhoed proposes paying no dividend for the second year running after last paying Fl 4.20 in cash and 4 per cent in shares per share in 1976. Net profit of the Rotterdam-based storage, transport and property group fell to Fl 500,000 ($250,000) from Fl 3.9m.

These figures are in sharp contrast with the profit of Fl 43m achieved in 1976.

Pakhoed reduced its net interest charge by Fl 9.2m to Fl 39.7m. This was largely due to interest income earned on funds which became available after the sale of property. It booked the Fl 40.6m after-tax profit on these property sales as extraordinary income.

A critical reassessment of Pakhoed's range of activities led to closure and to the revaluation of assets which together resulted in an after-tax loss of Fl 45.2m. The company recorded a tax credit of Fl 1.6m in 1978 after a charge of Fl 6.5m the year before.

The Board could not say when it expected profits to recover. This would depend largely on its tank storage activities in Holland. A gradual improvement in the storage market is expected but this could be strongly influenced by developments in the oil market.

An independent Dutch pressure group recently claimed that Pakhoed had not included liabilities of Fl 77-97m for the Maasvlakte oil terminal in its accounts. The foundation for the Investigation of Business Information (SOBI) said it expected the business court in Amsterdam to give its verdict next month.

Iran to keep its Deutsche Babcock stake

By Our Financial Staff

THE NEW Iranian government has no plans to sell its 25.02 per cent shareholdings in Deutsche Babcock it was announced yesterday at the annual meeting of the West German engineering group.

Herr Hans Ewaldsen, chairman of the managing Board, told shareholders that the Iranian government had also expressed the hope that future co-operation with Deutsche Babcock would be "good."

The Iranian shareholding, acquired in 1975 for DM178.3m, is estimated to be worth over DM300m ($162.1m) currently. Recently rumours in German financial circles have suggested that the Iranian government was about to dispose of its shares, along with those owned in the Krupp steel empire.

As to the trading outlook at Deutsche Babcock, Herr Ewaldsen said total group sales in the current year—ending next September—would increase by 13.5 per cent to DM4.2bn from DM3.71bn last year. He told shareholders that order inflow would be DM4.6 to 4.8bn after last year's DM4.58bn. Group incoming orders fell to DM1.9bn (DM2.5bn) during the first five months because of weak foreign demand.

Orders in hand rose to DM9.4bn against DM8.4bn at the end of the last financial year, according to Herr Ewaldsen. Of present orders in hand, DM7.4bn came from abroad and only DM800m are not covered by the German government backed Hermes export insurance agency.

Fagersta reduces losses

BY WILLIAM DULLFORCE IN STOCKHOLM

FAGERSTA, the Swedish special steels company, yesterday reported a pre-tax loss of SKr 38.5m ($8.8m) on a SKr 1.56bn ($360m) turnover for 1978. The board nevertheless proposes to pay shareholders an unchanged dividend of SKr 4 a share in view of the company's sound financial situation and the profit improvement it expects to make this year.

The optimism is justified by Fagersta's strong finishing run in 1978. During the last four months group operations produced a pre-tax income of SKr 22.5m compared with a loss of SKr 37m during the first half and a loss of SKr 24m incurred during the July and August holiday period.

The SKr 38.5m loss for the year as a whole compares with the SKr 69.8m loss reported in 1977. It does not include earnings of SKr 17.6m from Fagersta's 35 per cent holding in Seco Tools, the cutting tools company it operates jointly with Sandvik.

After appropriating SKr 79m from the reserves Fagersta shows a net profit of SKr 27.4m on the consolidated account for 1978 while the parent company net profit comes out at SKr 31.5m. The dividend payment will take SKr 6m.

Sales in 1978 were 12.4 per cent higher and the board anticipates a further increase this year bringing group turnover to some SKr 1.9bn. The 1979 order intake is expected to provide a good volume increase, enabling the company to exploit its production capacity more fully and to improve productivity.

If sales prices continue to develop favourably as in the latter part of 1978, "the pre-tax result should be improved to a surplus" this year, the board states but considers it to be premature to indicate a figure.

Maltese buy control of bank

By Godfrey Grima in Valetta

THE MALTESE Government has purchased from Barclays International a 40 per cent shareholding in the Mid-Med Bank of Malta. The shares have changed hands for M£2.1m ($5.6m) and the deal effectively seals the Maltese Government's control of the Mid-Med.

reditanstalt margins under pressure

AUL LENDVAI IN VIENNA

WITH a near 17 per e in assets to Sch 182.2bn), for 1978, Austria's one bank, Creditanstalt ein (CA) reports main- of market shares in c and international but growing pressure profit margins.

uncing this, Dr. Heinrich chairman of the Board ector-general added that group last year is esti- to have occupied the lace in the world-wide of banks.

group claims a share of r cent in the assets held Austrian banks, 11.5 per of non-bank primary s and 8.4 per cent of te savings deposits.

ing to Creditanstalt rein, the report for 1978 a 16.2 per cent expan- the balance sheet total 142.9bn. Dr. Triechl ised that business last as characterised by weak ic demand and sharpen- npetition. The earnings n has continued to rate. Thus profit, after and net allocations to s, was down by about 10 per cent to Sch 388m compared to 1977 and was in fact only marginally above the level reached in 1974.

Even more revealing is a comparison of interest income calculated in terms of the total balance sheet. Interest income (including mortgage business) rose between 1974 and 1978 from Sch 1.51bn to Sch 2.24bn. But as a percentage of the assets it fell from 2.3 per cent in 1974 to a mere 1.7 per cent last year.

The importance of CA in financing Austrian exports is illustrated by two figures. The bank accounts for 25.3 per cent of the foreign assets of all Austrian banks and export finance amounts to 23.6 per cent of loans extended last year as against 18.8 per cent a year earlier. Taking business as a whole in foreign currency, the share of foreign business is put at about one-third of the balance sheet, roughly the same stake as recorded in 1977.

Turning to the general financial situation in Austria, Dr. Treichl pointed out that the process of falling interest rates could be coming to an end. He also hopes that the pressures on earnings will "at the very least not increase this year." The bank's margin problems stem from the fact that borrowers' interest rates last year were reduced to a greater degree than those paid on deposits.

The prime rate, for example, during the past 18 months fell by 2 to 2¼ per cent and is currently 8¼ per cent. The pressure on earnings was evident also in connection with the keen competition between the commercial banks and the savings banks. Dr. Treichl also referred to the earnings strains caused by the "ruinous race" to open new banking branches as well as the prestige considerations behind applications for new loan issues.

Applications for new debt tabled for this year by banks would have totalled Sch 20.6bn as against actual issues of Sch 12.5bn last year. Finally, a compromise has been reached with all sectors agreeing on a ceiling for new borrowing of Sch 16.8bn for this year.

Turning to foreign operations, the report reveals that the CA was co-manager of 23 international loan issues in addition to underwriting 231 further Euroloans last year. The holding in the Wirtschafts und Privatbank, Zurich, the representative CA office in Budapest and the participation in the EBIC group have contributed to the successful foreign operations.

Dr. Treichl welcomes the improvement with regard to the permissible ceiling on the growth of roll over credits regulated by the national bank. It is currently 15 per cent taking 1978 as the base for the next 12-month period.

With regard to the industrial empire of the CA, the picture was less satisfactory. The value of direct industrial holdings fell from 15.7 per cent of the banks' total assets in 1955 to 9.6 per cent in 1970. It was down to about 4 per cent last year.

The companies controlled by the CA still account for 10 per cent of the aggregate Austrian labour force, and for 15 per cent of the country's industrial exports. However, due to the collapse of the Voeslau textile group and the difficulties of the Semperit rubber concern as well as other setbacks, the operations in CA's industrial empire are estimated to have produced a loss of some Sch 210m

How a British instrument company succumbed to barter dealing

BY TERRY OGG

"AND NOW, Comrade, we will talk about the payment for your machines. Would you like *100,000* left foot only Polish shoes or two tons of square roller bearings from Bulgaria?"

It is an old joke that still gets a few laughs from managers of export oriented companies with growing markets in Europe and the U.S. who have heard about trade possibilities with Comecon countries but have not attempted to test the water.

Instron, a scientific instrument maker at High Wycombe *with 350* employees, an annual turnover around £13m and a highly successful export business stopped listening to the wags and closely examined the possibilities of contra-purchase trades in 1975.

New policy

It had been exporting to Comecon countries for some ten years but had been able, until then, to resist such deals. But *the aftermath of the oil* crisis brought a fundamental shift in Comecon hard currency balances and led to a policy of tying hard currency imports as closely as possible to sales of their own products.

The State Trading Corporation of Czechoslovakia was the first to point out to Instron that its international competitors were getting a slight edge by agreeing to enter "trading partnerships." Instron checked around, found that this was indeed the case and then made two checks: the trade balances and current accounts of its Comecon customers. As a result of the two investigations it con*cluded that* contra-purchase was becoming a permanent feature of the trade and that it had better learn a lot about it.

"The first deal, in 1975, was worth £50,000 and we struggled through it," Mr. Ian McGregor, Instron's marketing manager explained. "We read widely about the subject and then talked to people at various exhibitions we attended.

"But it took us a while to work through. The second deal came along before we had completed the first and then there was a third deal. But by this stage we were getting a pretty well oiled operation and had learnt a lot of the wrinkles of the business. In all, we have signed around 15 contra-purchase agreements."

Mr. McGregor explained that a typical arrangement involved two contracts and a lot of negotiation. "It is important," he said, "to determine right from the start whether or not the potential sale will include some percentage of Comecon goods in exchange."

Typical terms are for the Western exporter to agree to purchase goods worth 20 per cent of the value of the contract from the country of the buyer. A term of 12 to 18 months is usually allowed for completion of this obligation with a penalty should there be a default of 10 per cent of the value of the Comecon goods being exchanged.

In other words, if a western exporter gets a contract worth £100,000 which includes a 20 per cent contra-purchase agreement it means he has to find a purchaser for Comecon equipment to the value of £20,000 and will pay a penalty of £2,000 if he fails.

It appears that the State Trading Corporations are set specific contra-purchase targets by their Ministries and are quite prepared to be flexible about execution *of contracts*. They are usually prepared to extend the period during which the contra-purchase sale is to be executed rather than enforce *the penalty* and, in some *special* cases, have widened the variety of the exchangeable goods.

But, as Ian McGregor points out, Comecon goods which are readily saleable in the West are rarely listed as qualifying contra-purchase items. While left foot only shoes and square *roller bearings* are *jokes*, the Western exporter generally finds that he has to shift goods that are difficult to move.

Instron solved the problem by introducing a third party into the arrangement. "Finding the third party is an entrepreneurial function," Mr. McGregor explains. "It means maintaining a long list of contacts and keeping an eye out for opportunities to make a sale."

Partners are generally found *among suppliers to the* exporting company, companies actively trading with Comecon countries, or through fishing around the buying departments of major corporations.

Comecon

To encourage a partner, the exporter is usually prepared to do a deal on price. The Comecon countries are aware of what the ruling Western market *price is for their products* but the Western exporter, facing a penalty if he fails to complete, is often prepared to pay up to the value of the penalty to *clinch the sale*.

"In our case, having found a partner and agreed the contra-payment, we tell the partner to place an order with the local agent of the State Trading Corporation concerned," Mr. McGregor said.

"We ask him to note on the order document words to the effect that the order is placed on condition that it qualifies for fulfilment of a contra-purchase arrangement with Instron.

"When the equipment is delivered, the partner gets the invoice but we ask him not to pay until we get the contra-purchase release document. He pays the agent full value for the goods and we pay the partner the agreed sum."

From the document point of view there are two contracts. *One is the straight export con*tract and the other is a very simple agreement listing the nature of the contra-purchase goods, their value, the time to *completion and the size of the* penalty. All are subject to negotiation at the time of the contract.

Between the exporter and the partner there is initially a phone call, which is sometimes followed up by an exchange of letters.

There is no huge bureaucratic "contra-purchase department." At Instron, Ian McGregor handled most of the initial contracts but has since pushed the work down the line to his senior sales manager.

"For a company trading continuously with Comecon countries it is possible to arrange a contra-purchase account with the State Trading Organisation," he said. "If the opportunity presents itself, it is possible to go into credit."

Most UK *companies involved* in contra-purchase arrangements with Comecon are reluctant participants and would oppose any move to extend the *system*.

As one company official put it: "Why invent money if all you are going to do is barter?"

It also raises questions about back-door dumping by Comecon countries. In effect Western exporters are subsidising sales of goods which Eastern European countries find difficult to shift. The scope of the practice is still relatively small (only 40 per cent of all deals with Comecon involve contra-purchase) but should it grow too rapidly there would undoubtedly be a Western backlash at the trades union and Government levels as well as the corporate level.

The extension is not likely to come from Comecon so much as from China and some Third World countries with limited hard currency but high demand for the developed world's technology.

Outlook

And there is likely to be an extension in scale. Russia, with its vast natural resources, does not do contra-purchase deals on small, individual contracts. But it has done "co-operation" deals involving financing the construction of large petrochemical complexes by guaranteeing to supply products to Western petrochemical companies.

So it appears that those who take the trouble to avoid the jokes, examine the contra-purchase process and include an element in their export sales may end up with the last laugh. Comecon, China and the Third World are very large, technology-hungry markets for Western exporters.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1977							
4th qtr.	105.8	101.9	100	104.7	239.6	1,431	157
1978							
1st qtr.	108.9	102.1	100	106.4	246.4	1,409	[illegible]
2nd qtr.	110.9	104.7	96	107.9	254.4	1,367	213
3rd qtr.	111.2	104.9	103	110.7	266.6	1,380	212
4th qtr.	109.9	102.7		110.7	272.5	1,340	[illegible]
Sept.	110.5	104.2	107	109.6	265.9	1,378	219
Oct.	108.8	102.1	101	110.2	267.9	1,360	[illegible]
Nov.	109.6	102.5	101	110.5	269.7	1,339	221
Dec.	111.3	103.6		113.8	279.8	1,321	221
1979							
Jan.				109.6	273.1	1,339	[illegible]
Feb.				111.5		1,363	231

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
4th qtr.	104.9	97.1	114.3	98.2	95.4	100.2	20.7
1978							
1st qtr.	105.2	90.1	116.1	100.0	95.0	97.8	17.9
2nd qtr.	107.8	98.6	122.6	100.0	107.8	101.0	27.1
3rd qtr.	107.3	100.2	123.3	101.0	101.6	102.8	[illegible]
4th qtr.	106.3	95.5	123.0	96.0	97.5	100.6	[illegible]
Sept.	107.0	99.0	123.0	99.0	100.0	101.0	[illegible]
Oct.	105.0	96.0	121.0	96.0	98.0	100.0	[illegible]
Nov.	108.0	96.0	123.0	95.0	93.0	102.0	[illegible]
Dec.	107.0	98.0	125.0	98.0	101.0	101.0	[illegible]
1979							
Jan.							[illegible]

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
4th qtr.	117.3	102.4	−16	+580	−659	102.4	20.39
1978							
1st qtr.	119.6	113.8	−590	−361	−620	105.4	[illegible]
2nd qtr.	122.2	110.9	−173	+135	−414	104.5	[illegible]
3rd qtr.	124.9	114.4	−365	−49	−501	105.7	[illegible]
4th qtr.	125.1	112.8	−1	+359	−480	106.7	15.77
Oct.	125.9	111.3	+40	+160	−135	106.0	[illegible]
Nov.	122.8	114.1	−108	+12	−162	107.3	15.87
Dec.	128.7	113.0	+67	+187	−183	106.8	[illegible]
1979							
Jan.	113.1	107.3	−119	+1	−60	107.7	[illegible]
Feb.							[illegible]

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	23.2	12.6	8.7	+698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,283	$6\frac{1}{2}$
2nd qtr.	8.5	15.7	24.6	+3,391	694	1,398	10
3rd qtr.	[illegible]	5.3	8.6	+534	746	1,425	10
4th qtr.	9.7	9.7	8.8	+1,490	878	1,425	$12\frac{1}{2}$
Oct.	13.8	5.5	1.9	+541	353	470	10
Nov.	12.1	10.7	9.9	+113	261	506	$12\frac{1}{2}$
Dec.	9.7	9.7	8.8	+836	254	449	$12\frac{1}{2}$
1979							
Jan.	13.6	16.5	20.0	+839	289	491	$12\frac{1}{2}$
Feb.					231		14

INFLATION—*Indices of earnings (Jan. 1976=100);* basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.1
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	[illegible]
2nd qtr.	129.9	145.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.5	147.1	157.3	202.6	208.0	257.69	62.7
Oct.	135.2	145.7	156.6	201.1	205.6	265.22	62.5
Nov.	136.1	147.3	157.1	202.5	207.9	263.63	62.5
Dec.	138.1	148.2	158.3	204.2	210.5	257.69	63.2
1979							
Jan.	135.7	150.4	159.8	207.2	217.5	260.63	63.4
Feb.		151.1	161.5			267.36	64.3

* Not seasonally adjusted.

هكذا من الأصل

INTERNATIONAL COMPANIES and FINANCE

·Iajor rofits oost or AMIC

Jim Jones in Johannesburg

LO AMERICAN Industrial oration (AMIC), the strial arm of the South an mining house, Anglo ican Corporation, has ted a 43.2 per cent pre-tax improvement to R84.2m .2m) from R58.8m for the to December 31.

: improvement is, however, ntirely the news of better ng conditions for the sified group. Mondi Paper, i4 per cent owned by AMIC consolidated for the final nonths. Spankor, which le a subsidiary of wholly l Bruynzeel Plywoods, was lidated for nine months, he food-processor, African icts was consolidated for months.

preliminary announce- of results does not detail ntribution these consolida- made, but the deduction of s attributable to outside holders increased to n from R217,000 in 1977, g taxed profit attributable IIC's shareholders 38 per higher at R52.4m. Certain n subsidiaries have been solidated, as there are s whether their profits or nds will ever be remitted uth Africa.

m earnings per share of cents, from against 141.4 restated in 1977, a total nd of 80 cents has been ed, putting the share on a per cent yield in nesburg.

SAMURAI BONDS

Upsurge in issues seen

BY RICHARD C. HANSON IN TOKYO

EIGHT FOREIGN borrowers are expected to issue Samurai bonds in the April-June quarter for a total value of Y185bn (equivalent to $885m) compared *with the Y105bn planned for* the first quarter. The Yen bonds in April will be by Denmark for Y30bn, Austria for Y20bn and the Finnish Public Power Corporation for Y10bn.

The initial applications for May soared to Y125bn, but this will be divided between May and June under present guidelines which call for a ceiling of around Y60bn per month in two or three issues.

In May Sweden is expected to issue Y20bn in ten year bonds while Norway floats Y40bn in five year bonds, for which market conditions are more favourable. In June, Thailand is planning Y10bn in bonds, Indonesia Y15bn and New Zealand Y40bn.

After June, the prospects for Yen bonds are much less clear. The Asian Development Bank and World Bank are expected to come to the Tokyo market after this summer and the Spanish Government is said to be considering an issue. Electricite de France (EDF) apparently does not have plans to issue in Yen although it was thought earlier they might be in the market this spring.

Bond market conditions in Tokyo have improved slightly over the past week or so, after the Government announced plans to raise the issuing coupon rate on its 10-year bonds to 6.5 per cent from 6.1 per cent.

The Government, however, will be issuing national bonds during the fiscal year which starts April 1, amounting to more than Y15,000bn. Pressure from these bonds and an expected increase in private borrowing as the economy recovers is worrying many underwriters

After May the outlook is uncertain. Yields on Samurai bonds issued in March are reaching the highest levels since the summer of 1977, and show signs of continuing their upwards trend later in the year.

Marginal midway fall by Comeng

BY OUR SYDNEY CORRESPONDENT

COMENG HOLDINGS, the heavy engineering and rolling stock manufacturer, suffered a slight fall in profit, from A$4.76m to A$4.63m (US$5.2m) in the December half year, but has effectively raised the interim dividend.

The directors said the results were adversely affected by a reduced level of activity in the group's major rolling stock plants.

This was partly offset by an increased contribution from the iron founder, Bradken Consolidated, which is jointly owned with Australian National Industries, and which is equity accounted.

Comeng also owns more than 20 per cent of ANI. This interest is not equity accounted but the directors said the dividend income from ANI was higher.

Dividend, although unchanged at 5.5 cents a share, is effectively 10 per cent higher because it will be paid on capital increased by a one-for-ten free scrip issue.

Commenting on the outlook, the directors said the level of rolling stock activity had increased but additional orders were now urgently required to replace existing contracts which would be progressively completed during the 1979 calendar year. Profits for the period January to June 1979 should be slightly ahead of those for the first six months, they added.

apanese to increase capital spending

CYO—Capital spending by ese companies is expected rease by 3.1 per cent in cal year starting April 1, the 1978-79 level year, ling to a survey carried y Nihon Keizai Shimbun, onomic newspaper.

urvey of 1,393 companies beginning of February ted that domestic capital ng was expected to total Y8,418bn ($40bn) or 3.1 nt more than the current estimate of Y8,167bn.

tal investment by manu- ng industry alone was to increase 3.6 per cent h about Y5,272bn, it was ted, from an estimated bn in the current fiscal in which capital investment is expected to decline by 0.6 per cent from last year.

Meanwhile, investment by non-manufacturing industry was forecast to be up 2.7 per cent to Y5,040bn from an estimated Y4,906bn. This would be the first time since 1974 that capital spending in the manufacturing sector had exceeded the previous year's level.

The expected increase by the manufacturing industry was mainly the result of higher investment by raw material makers, such as steel mills, chemicals, textile companies and non-ferrous metal producers. However, investment by motor vehicle and electric product makers, which had led the manufacturing industry's capital spending in the past few years, was expected to decline or level off. Capital spending by the automobile industry in 1978-79 was the largest among the manufacturing industries, but in the new fiscal year, its spending was expected to decline 3.1 per cent amid concern over the nation's declining exports. Investment by the automobile industry would fall to the second place, behind the steel industry, according to the survey.

Capital spending by the electric industry would increase generally, supported by capital expansion by electronics parts makers.

Meanwhile, spending planned by non-manufacturing industry was expected to show an annual gain of 2.7 per cent, less than the manufacturing industry's increase of 3.6 per cent, because spending by electric power producers would level off from the current year.

However, spending by non-manufacturing industry excluding that of electric power companies would show a 5.7 per cent annual gain, to about Y1,890bn. Spending by the private railway companies, land transport and other transport-related industries was expected to rise, but in the case of marine products, shipping, and warehouse industries a fall was forecast.

Consumer spending-related industries, such as department stores, supermarkets and services was expected to expand. AP-DJ

Lower tax lifts cement maker

BY JAMES FORTH IN SYDNEY

TAXATION ALLOWANCES helped Australia's largest cement producer, Blue Circle Southern Cement to boost profit by 88 per cent in the year to December 31, from A$4.9m to A$9.2m. Group turnover rose almost 17 per cent to reach the A$100m mark for the first time.

The dividend is held at 6 cents a share but will be paid on capital increased by a one-for-four cash issue.

The higher profit was largely due to a cut in tax from A$4m to A$1.6m, reflecting investment allowances for a new cement clinker plant and grinding mill in New South Wales. The directors said demand for cement in NSW improved modestly, but steadily during 1978, following some improvement in the construction industry. Demand in Victoria remained depressed.

They said the sustained improvement in the building and construction industry was largely dependent on inflation and interest rates being held to acceptable levels.

The new plant facilities would put the group in a strong position to take advantage of any upturn in the industry.

Contracts for the sale of the company's surplus coal production in NSW were negotiated during the year. Although the tonnages would be relatively small, the company was constantly reviewing prospects of developing its steaming coal deposits. Because the new plant will reduce Blue Circle's coal requirements, the group's surplus of coal for sale is expected to increase.

Australia's largest company, Broken Hill Proprietary and Associated Portland Cement Manufacturers of the UK each owns 42.45 per cent of Blue Circle.

Concrete and steel declines for Humes

BY OUR SYDNEY CORRESPONDENT

HUMES, the major concrete, steel and plastics pipe maker, failed to live up to earlier hopes and registered a 6.6 per cent decline in earnings for the December half year, from $A4.69m to $A4.39m (US$4.93m).

The directors said the results in the parent company had been disappointing and that there was a substantial fall in profitability in both the concrete and steel divisions. The plastics division improved but it was insufficient to offset the fall in the other two divisions.

The decline would have been greater but for results from the overseas operations. Hume Industries (Far East) and Hume Pipe of the UK both recorded further profit growth.

The poorer result was despite an increase of almost 14 per cent in sales, from $A102m to $A116m.

The interim dividend has been held at 3 cents a share, which is still well covered by earnings of 5.8 cents—down from 7.8 cents in the same previous period.

Orders on hand at December 31 had grown from $A60m to a "satisfactory" $A74m, which did not include an order of $A18.5m received in February by the parent company.

AWA raises dividend

BY OUR SYDNEY CORRESPONDENT

AMALGAMATED Wireless (Australasia), the major electronics group, has lifted its interim dividend from 4 cents to 4.5 cents following a jump in profit for the December half-year, from A$2.6m to A$4.9m ($5.5m). The higher interim will be paid on capital increased last December by a one-for-five scrip issue

The latest profit was earned on a 27 per cent increase in turnover, from A$59m to A$76m ($85m). The higher dividend maintained the trend which has seen the total payout rise from 8 cents a share in 1975 to 11.25 cents last year.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	6.3.79	13.3.79	AVERAGE YIELD	6.3.79	13.3.79
DM Bonds	102.77	102.84	DM Bonds	6.865	6.845
HFL Bonds & Notes	98.89	99.28	HFL Bonds & Notes	8.550	8.465
U.S. $ Strt. Bonds	95.43	95.82	U.S. $ Strt. Bonds	9.635	9.565
Can. Dollar Bonds	95.73	96.10	Can. Dollar Bonds	10.240	10.163

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101.
Index Guide as at March 6, 1979 (Base 100 on 14.1.77)

Clive Fixed Interest Capital	145.42
Clive Fixed Interest Income	118.43

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at March 8, 1979

Capital Fixed Interest Portfolio	106.55
Income Fixed Interest Portfolio	102.52

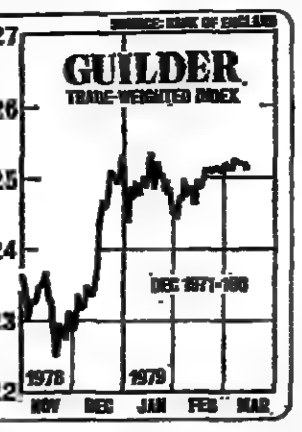
Companies and Markets

CURRENCIES, MONEY and GOLD

Sterling falls

The pound staged a moderately sharp turnaround in yesterday's foreign exchange market after its strong performance over the past month, and lost ground against most major currencies. There appeared to be little in the way of fresh factors to influence trading and sterling's decline probably reflected a peaking of commercial demand together with a little profit taking. The Bank of England appeared to show little outward concern when its calculation of the pound's index fell to 65.1 from 65.3 on Tuesday, having stood at 65.4 in the morning and 65.2 at noon, and there was no obvious official intervention.

Against the dollar, sterling opened at $2.0430-2.0440 and touched $2.0440-2.0450 soon after, before falling back to $2.0380. After briefly touching $2.0400, further selling out of New York pushed down the rate to $2.0360, before it closed at $2.0365-2.0375, a loss of 25 points from Tuesday's close.



The dollar traded steadily for most of the morning but declined steadily during the afternoon to finish on or around its worst levels of the day. Against the Swiss franc it touched SwFr 1.6850 at one point but closed lower at SwFr 1.6775, compared with Tuesday's close of SwFr 1.6830. Similarly against the D-mark, it was quoted as high as DM 1.8650 before easing to DM 1.8565 against DM 1.8625 previously. The Japanese yen was also firmer at Y207.30 from Y208.60.

On Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened to 8.4 per cent from 8.3 per cent.

FRANKFURT—The dollar was fixed at DM 1.8614 yesterday, slightly up from Tuesday's level of DM 1.8591, and there was no intervention by the Bundesbank. Trading was at a generally low level with the dollar receiving some boost from the encouraging progress made in the Middle East talks. From its opening level of DM 1.8640, the dollar moved as high as DM 1.8645 at one point. Within the EMS the Irish punt was fixed at DM 3.7980, exactly the same level as sterling, while the Dutch guilder improved slightly to DM 92.68 per Fl100, up from DM 92.635 on Tuesday.

MILAN—Conditions continued at a rather leisurely pace yesterday, with the Bank of Italy ensuring a continuence of the recent steady trading. While holding its ground against the dollar, the lira improved marginally against major European currencies. The D-mark was quoted at L454.05 against L454.71 while sterling eased to L1,724 from L1,729.3. The dollar showed an easier trend from earlier levels at L845.2 compared with L845.25.

ZURICH—Early trading remained relatively calm yesterday with the dollar showing a firm undertone. Against the Swiss franc it rose to SwFr 1.6800 from SwFr 1.6725 with the yen's poor performance tending to bolster the dollar against other currencies.

TOKYO—Continued heavy demand for the dollar yesterday pushed the yen to its lowest level since June last year, and the dollar closed at Y209.125 compared with Y206.15 on Tuesday. The dollar's improved performance came despite energetic attempts by the Bank of Japan to arrest the decline in the yen, with a reported sum of around $600m in official intervention. Confidence in the Japanese unit appeared to be steadily evaporating in the light of continued concern over Japan's economic performance. More immediate problems included a reduction in oil supplies to some Japanese oil companies and a continued shortage of dollars. After opening at Y208.0, the U.S. unit improved throughout the day reflecting the steady demand.

THE POUND SPOT AND FORWARD

March 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0380-2.0450	2.0365-2.0375	0.47-0.37c pm	2.47	0.78-0.68 pm	1.43
Canada	2.3840-2.3945	2.3860-2.3870	0.37-0.27c pm	1.66	0.77-0.67 pm	1.12
Nethlnd.	4.08-4.12	4.08½-4.09½	2¼-1¼c pm	5.50	5¼-4¼ pm	4.77
Belgium	59.80-60.35	59.85-59.95	30-20c pm	5.01	70-60 pm	4.34
Denmark	10.53½-10.64½	10.53½-10.64½	2½-½ore pm	1.70	½pm-1¼dis	−0.19
W. Ger.	3.77½-3.82	3.78-3.79	3½-2½pf pm	8.32	7½-6½ pm	7.60
Portugal	97.30-98.10	97.65-98.05	30-100c dis	−7.97	60-220 dis	−5.72
Spain	140.60-141.40	140.65-140.75	20c pm-30c dis	−4.26	par-120 dis	−1.71
Italy	1,715-1,730	1,715½-1,716½	2¼-¾lire pm	0.88	2¼-¼ pm	0.40
Norway	10.36½-10.44	10.37-10.38	4½-2½ore pm	3.76	7½-5½ pm	2.51
France	8.71-8.76	8.71-8.72	3½-2¼c pm	3.79	8-7 pm	3.44
Sweden	8.87-8.94½	8.87½-8.88½	3½-1½ore pm	3.04	7½-5½ pm	2.81
Japan	420-430	422-423	2.50-2.25y pm	6.72	6.80-6.55 pm	6.32
Austria	27.75-27.95	27.75-27.80	25-15gro pm	8.64	55-45 pm	7.20
Switz.	3.41-3.46	3.41½-3.42½	4-3c pm	12.28	10½-9½ pm	11.55

Belgium rate is for convertible francs. Financial franc 60.70-60.80. Six-month forward dollar 1.05-0.95c pm; 12-month 1.95-1.85c pm.

THE DOLLAR SPOT AND FORWARD

March 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	2.0380-2.0450	2.0365-2.0375	0.47-0.37	2.47	0.78-0.68	1.43
Ireland	2.0380-2.0450	2.0365-2.0375	0.47-0.37	2.47	0.78-0.68	1.43
Canada†	85.14-85.41	85.14-85.17	0.8-0.6c dis	−0.89	0.9-0.6 dis	−0.35
Nethlnd.	2.0070-2.0090	2.0070-2.0090	0.62-0.52c pm	3.41	1.90-1.80 pm	3.69
Belgium	29.44-29.47	29.44-29.46	7½-6½c pm	2.85	23-21½ pm	3.02
Denmark	5.1750-5.1965	5.1750-5.1800	par-0.50ore dis	−0.58	1.25-1.75dis	−1.16
W. Ger.	1.8560-1.8650	1.8560-1.8570	0.97-0.87pf pm	5.94	2.90-2.80 pm	6.13
Portugal	47.88-48.05	47.85-48.05	33-43c dis	−9.5	70-135 dis	−8.54
Spain	69.11-69.17	69.12-69.17	10-20c dis	−2.60	30-40 dis	−2.02
Italy	842.90-845.70	842.90-843.30	0.75-1.25lire dis	−1.42	2-2.75 dis	−1.73
Norway	5.0970-5.1020	5.0970-5.0980	1.10-0.60ore pm	2.00	2.60-2.10 pm	1.84
France	4.2775-4.2838	4.2775-4.2800	0.55-0.45c pm	1.40	2.25-2.10 pm	2.03
Sweden	4.3600-4.3705	4.3600-4.3610	0.80-0.60ore pm	1.93	2.35-2.15 pm	2.06
Japan	207.00-209.10	207.30-207.50	0.75-0.65y pm	4.05	2.65-2.50 pm	4.97
Austria	13.63½-13.64½	13.63¼-13.63¾	6.50-5.75gro pm	5.39	19.50-17.50pm	5.43
Switz.	1.6765-1.6860	1.6770-1.6780	1.45-1.35c pm	10.01	4.35-4.25 pm	10.26

† U.S. cents per Canadian $.

CURRENCY RATES

March 15	Bank rate %	Special Drawing Rights	*Europ'n Currency Unit
Sterling	13	0.629326	0.660651
U.S. $	9½	1.28716	1.35169
Canadian $	11¼	1.50881	1.58445
Austria Sch.	3¾	17.5376	18.4269
Belgian F	6	37.8940	39.8242
Danish K	8	6.69645	7.03623
D mark	3	2.39296	2.51577
Guilder	5½	2.58462	2.71636
French Fr	9½	5.51226	5.78997
Lira	10½	1085.00	1144.21
Yen	3½	266.348	282.166
Nrwgn. K	7	6.55937	6.89025
Spanish Pes.	8	88.8823	93.3546
Swedish Kr	6½	5.61846	5.90919
Swiss Fr.	1	2.16050	2.27084

* The European Unit of Account has been replaced by the European Currency Unit, which has the same value.

CURRENCY MOVEMENTS

Mar. 14	Bank of England Index	Morgan Guaranty changes %
Sterling	65.1	−39.4
U.S. dollar	84.7	−8.4
Canadian dollar	80.3	−17.1
Austrian schilling	147.1	+19.4
Belgian franc	114.8	+14.8
Danish krone	118.2	+8.9
Deutsche Mark	150.6	+42.1
Swiss franc	195.2	+81.9
Guilder	125.1	+20.9
French franc	99.6	−6.0
Lira	54.9	−49.6
Yen	139.1	+37.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Mar. 14	£	$		£ Note Rates
Argentina Peso	2288-2308	1123-1133	Austria	27¼-28¼
Australia Dollar	1.8180-1.8220	0.8925-0.8945	Belgium	60¼-61¼
Brazil Cruzeiro	45.70-46.70	22.43-22.93	Denmark	10.58-10.68
Finland Markka	7.10-7.12	3.9740-3.9760	France	8.70-8.80
Greek Drachma	75.988-75.787	36.30-37.20	Germany	3.75-3.85
Hong Kong Dollar	9.9825-9.9125	4.8495-4.8505	Italy	1,700-1,750
Iran Rial	148.98-157.14	73-77	Japan	424-434
Kuwait Dinar (KD)	0.557-0.567	0.2761-0.2762	Netherlands	4.05-4.15
Luxembourg Frc.	59.85-59.95	29.39-29.41	Norway	10.37-10.47
Malaysia Dollar	4.4885-4.4965	2.2080-2.2090	Portugal	93-99
New Zealand Dlr.	1.9310-1.9370	0.9480-0.9510	Spain	140.50-145.50
Saudi Arab. Riyal	6.80-6.90	3.3619-3.3624	Switzerland	3.37-3.47
Singapore Dollar	4.4260-4.4360	2.1800-2.1810	United States	2.0375-2.0475
Sth. African Rand	1.7125-1.7231	0.8405-0.8460	Yugoslavia	40½-42½

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Mar. 14	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.037	3.785	422.5	8.715	3.420	4.090	1716.	2.387	59.90
U.S. Dollar	0.491	1.	1.858	207.4	4.278	1.679	2.008	842.4	1.172	29.41
Deutschemark	0.264	0.538	1.	111.6	2.303	0.904	1.081	453.4	0.631	15.83
Japanese Yen 1,000	2.367	4.821	8.959	1000.	20.63	8.095	9.680	4062.	5.649	141.8
French Franc 10	1.147	2.337	4.343	484.8	10.	3.924	4.693	1969.	2.738	68.73
Swiss Franc	0.292	0.596	1.107	123.5	2.548	1.	1.196	501.8	0.698	17.51
Dutch Guilder	0.244	0.498	0.925	103.3	2.131	0.836	1.	419.6	0.583	14.65
Italian Lira 1,000	0.583	1.187	2.206	246.2	5.079	1.993	2.383	1000.	1.391	34.91
Canadian Dollar	0.419	0.854	1.586	177.0	3.652	1.433	1.714	719.0	1.	[illegible]
Belgian Franc 100	1.669	3.401	6.319	705.3	14.55	5.710	6.828	2865.	3.984	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.25-10.35 per cent; three months 10.40-10.50 per cent; six months 10.70-10.80 per cent; one year 10.70-10.80 per cent.

Mar. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	11½-12¼	10⅛-10⅜	9-10	7-7¼	−½-par	4-4⅛	10-14	10-14	—	7½-10½
7 day's notice	11½	10¼-10½	9-10	7-7¼	[illegible]	4-4⅛	10-14	10½-11½	10⅛-10⅜	6½-7½
Month	12¼-12½	9⅞-10⅛	10⅛-10⅜	6⅛-6¾	[illegible]	4⅛-4¼	8½-8⅞	11¼-12¼	9⅞-9⅞	5⅛-5⅞
Three months	11⅞-12	10⅞-10⅞	10⅞-10⅞	6¾-7	[illegible]	4¼-4⅜	8½-8⅞	11½-12¼	10⅛-10⅞	5⅜-5⅞
Six months	11⅞-11¾	10¾-11	10⅝-11	6⅞-7⅛	[illegible]	4⅞-4⅞	8⅞-9¼	12-13	10⅞-10⅞	5⅛-5⅞
One year	11½-11¾	10⅞-10⅞	10⅝-11	7-7¼	1-1⅛	4¼-4⅞	9¼-9⅞	12¼-13½	10⅞-10⅞	4⅞-5⅞

Long-term Eurodollar deposits: two years 10⅛-10⅜ per cent; three years 10⅜-10⅝ per cent; four years 10⅜-10⅝ per cent; five years 10⅜-10⅝ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates easier

European short-term interest rates were generally easier, with rates declining in France, Belgium and Holland following a comfortable and quiet start to the European Monetary System.

Money rates in Italy were unchanged, but had a firmer tone in Germany, possibly reflecting speculation that the Bundesbank may tighten its credit policy in the near future. No press conference will be held by the German central bank today. Such conferences usually take place when a policy change is announced.

PARIS—Day-to-day money fell to 7 per cent from 6⅞ per cent, and one-month to 6⅞-7 per cent from 7-7⅛ per cent. Three-month funds were unchanged at 7⅛-7¼ per cent, while six-month declined to 7¼-7⅜ per cent from 7⅜-7½ per cent; and 12-month was quoted at 7⅞-8 per cent, compared with 7⅞-8 per cent.

FRANKFURT—Call money was quoted at 4.25-4.30 per cent, compared with 4.20-4.40 per cent previously, and one-month at 4.25-4.35 per cent, compared with 4.20-4.40 per cent. Three-month funds firmed to 4.35-4.45 per cent from 4.30-4.40 per cent, and six-month to 4.65-4.75 per cent from 4.50-4.70 per cent, while 12-month money was unchanged at 4.90-5.00 per cent.

BRUSSELS — One-month money fell to 7¼-7½ per cent from 7⅜-7⅝ per cent, and three-month to 7⅜-7⅝ per cent from 7⅞-8 per cent. Six-month was quoted at 7⅞-8⅛ per cent, compared with 8-8⅛ per cent previously, and 12-month was unchanged at 8⅛-8⅜ per cent. The Belgian National Bank repaid BFr 723m of its debt at the European Monetary Co-operation Fund in the week ended March 12, reducing the debt to BFr 14.993bn. Last week BFr 1.296bn was repaid of the funds borrowed to defend the Belgian franc within the European currency snake, before the revaluation of the D-mark in October.

AMSTERDAM — Call money eased to 7¼-7½ per cent from 7½-7⅞ per cent; one-month to 7⅜-7⅝ per cent from 7⅜-7⅞ per cent; three-month to 7¼-7½ per cent from 7⅜-7⅝ per cent; and six-month to 7-7⅛ per cent from 7⅛-7⅜ per cent.

UK MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 13 per cent (since March 1, 1979)

While day to day credit remained in short supply yesterday, the shortage appeared to be somewhat less than Tuesday with the Bank of England giving a small total of assistance. This comprised a small purchase of Treasury bills, all direct from the discount houses, and small loans to one or two houses at MLR for repayment today. Discount houses were paying around 12¾ per cent for secured call loans at the start, although closing balances were taken in the region of 11½-12 per cent.

The market was faced with the repayment of Tuesday's moderate market advances and the unwinding of a purchase and resale agreement of a small amount of eligible bank bills. There was also a small net take up of Treasury bills to finance. On the other hand there was a fairly large excess of Government disbursements over revenue transfers to the Exchequer, and a small decrease in the note circulation.

In the interbank market overnight loans opened at 12¾-13¼ per cent and touched 12¾-13 per cent before coming back to 13-13½ per cent. Rates tended to ease during the afternoon, with closing balances at 10-10½ per cent.

Interest rates continued to show a slightly easier tendency ahead of any announcement on a reduction in MLR today, with rates tending to discount a fall of 1 per cent to 12 per cent. Buying rates for three-month Treasury bills were quoted at 10⅞ per cent although this was more a reflection of the current shortage of Treasury bills in the market.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Mar. 14 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-13½	—	—	—	—	11½-13	—	—	—
2 days notice	—	—	12¾-13	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12½-12¾	12⅞-13	—	12¾	13	12½-12¾	—	—	—
One month	12⅜-12⅜	12-12½	12½-12½	12¼-12⅞	12½	12⅝	12	11⅞	12¼-12⅛	12⅞
Two months	12-11⅞	11⅞-11⅞	—	11⅞-12¼	12⅛	—	11⅜	10⅞-11⅛	11⅞-11¾	12½
Three months	11⅞-11⅞	11½-11⅞	11¾-12½	11-11⅜	12	11¾	11	10⅞-10⅞	11⅞-11¼	11⅝
Six months	11⅛-11⅛	11⅛-11¼	11-11⅜	10⅜-10⅝	11⅜	—	—	—	10⅜-10¾	12
Nine months	11⅛-11	11⅛-11¼	—	10⅝-11⅛	11⅜	—	—	—	—	—
One year	11⅛-11	11⅛-11⅛	11-11⅜	10⅞-11¼	11⅜	—	—	—	—	—
Two years	—	—	11¼-11½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 11½-11¾ per cent; four years 11¾-12 per cent; five years 12-12¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10⅞-11 per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11⅛ per cent; two-month 10⅞-11⅛ per cent; three months 10⅞ per cent. Approximate selling rate for one-month bank bills 12⅛ per cent; two-month 11⅞-11⅞ per cent; and three-month 11⅝-11⅞ per cent; one-month trade bills 12⅞ per cent; two-month 12⅝ per cent; and three-month 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from March 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10.5 per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 11.3282 per cent.

GOLD

Little change

Gold showed very little change in the London bullion market yesterday and it closed at $239¼-240, a fall of just $¼ an ounce. The metal opened at $238¾-239 and touched $238-238¼ possibly lower, before being fixed at $239.90. However, demand soon pushed up the level to $240-240¾, but it fell on the opening of New York markets, with the afternoon fixing at $239.50.

In Paris the 12½ kilo bar was fixed at Fr 33,600 per kilo ($244.03 per ounce) in the morning, compared with Fr 33,495 ($243.69) on Tuesday morning.

In Frankfurt the 12½ kilo bar was fixed at DM 14,350 per kilo ($239.78 per ounce) against DM 14,345 ($240.02) previously.

	Mar. 14	Mar. 13
Gold Bullion (fine ounce)		
Close	$239¼-240 (£117.45-117.8)	$239¾-240¼ (£117.4-117.8)
Opening	$238¾-239 (£116.5-116.8)	$240¾-241½ (£117.9-118.3)
Morning fixing	$239.90 (£117.535)	$239.40 (£116.958)
Afternoon fixing	$239.50 (£117.373)	$239.10 (£116.896)
Gold Coins, domestically		
Krugerrand	$254¾-256¾ (£125-126)	$256-260 (£125¾-127½)
New Sovereigns	$67¾-69¾ (£33¼-34¼)	$68½-70½ (£33½-34½)
Old Sovereigns	$75¾-77¾ (£37¼-38¼)	$79-81 (£38¾-39¾)
Gold Coins, internationally		
Krugerrand	$246¾-248¾ (£121-122)	$246½-248½ (£120¾-121¾)
New Sovereigns	$63¼-66¼ (£31-32)	$63-65 (£30¾-31¾)
Old Sovereigns	$77½-79½ (£38-39)	$79-81 (£38¾-39¾)
$20 Eagles	$313-318	$313½-316½
$10 Eagles	$171-176	$172½-177½
$5 Eagles	$119-124	$120-125

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.25
Treasury Bills (13-week)	9.50
Treasury Bills (26-week)	9.50

GERMANY

Discount Rate	3
Overnight Rate	4.275
One month	4.30
Three months	4.40
Six months	4.70

FRANCE

Discount Rate	9.5
Overnight Rate	7.0
One month	6.9375
Three months	7.1875
Six months	7.3125

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.625
Bills Discount Rate	4.625

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FINANCIAL TIMES SURVEY

Thursday March 15 1979

OFFSHORE INSPECTION AND MAINTENANCE

In these more mature days of North Sea oil and gas recovery the emphasis has shifted from the pioneering work on drilling platforms and production rigs to the technology of protecting the whole multi-million pound operational investment. As this survey shows, the skills involved are no less extensive.

›hield ›or ›ur oil ›vealth

Kevin Done
›gy Correspondent

›OIL industry has faced ›e challenges in develop- ›he oil and gas reserves of North Sea. But if produc- ›is to be maintained at a level companies must also ›the complex problems of ›cting, maintaining and ›ring the network of plat- ›s and pipelines many miles ›ore. There is a massive ›tment to protect.

›Itain is now more than ›hirds self-sufficient in ›oil production and the ›t of net self-sufficiency ›ld be reached next year. ›ut from the 12 fields now ›oduction has risen to more ›1.4m barrels a day and ›more fields are under ›opment or will soon be ›ng up for development ›lons. To gain production ›these first 19 oil fields ›involved an investment of ›£14bn (at 1978 prices), ›the smallest breaks in ›ction can prove extremely ›.

›ective repair and main- ›ce is already playing an ›asingly vital part in off- ›operations. The reason is ›the shut-down of one ›rm in the northern North ›ecause of defective equip- ›can result in a daily loss ›oduction worth more than ›. Operational failures ›occurred on North Sea ›rms only months after installation. In November ›an oilfield in the northern ›Sea with three produc- ›latforms in operation had ›ose down two of them ›se of an oil leak caused ›failure of a single pipe. ›ough production was re- ›d on one platform a few ›later the total loss in output was substantial. On the same field one of the production risers (the pipe leading up from the seabed to the platform) had to be replaced because of rapid corrosion.

Exploration in the North Sea is now levelling off and last year declined sharply. Offshore work is moving quickly into production phase with fields beginning a production life of usually 20-30 years. But problems with offshore equipment exposed to the ferocious weather conditions, equal to any conditions in any oil province in the world, makes it essential that production systems are designed with ease of access to critical components to minimise inspection and maintenance, which must be carried out regularly.

At first the oil industry was slow to appreciate the technological demands and the magnitude of the task of working in the North Sea and the earliest structures were designed, built and installed without any clear concept of the requirements for inspection and maintenance, especially underwater.

However, new techniques are now being developed in such areas as non-destructive testing to combat corrosion in the steel and concrete platforms, riser systems and under-sea equipment. Divers are being forced to develop new forms of expertise as underwater engineers and new designs of manned and unmanned submersibles are being researched and demonstrated.

Above the waterline, better design for the layout of equipment has been called for to give inspectors and maintenance crews better access. The hectic rush of the early years of North Sea development has been replaced—because of the build-up of first production and partly because of the rapidly rising costs of offshore work—by an era dawning in which careful planning and cost control are the paramount considerations. The emphasis is being put on the quality rather than the quantity of work and this, in turn, is putting a heavy premium on training and experience.

Emergencies

The market for scheduled repair and maintenance work in the North Sea could be worth about £200m in the early 1980s and this figure could be boosted by as much as another £50m a year in unplanned work to deal with emergencies as they arise. Inspection, maintenance and repair form a significant market sector in their own right and as in other sectors such as onshore fabrication and offshore exploration, considerable opportunities are also likely to develop in such export markets as Mexico, Venezuela, Argentina, Brazil, China, south-east Asia and Australia. The North Sea, with its fiercely testing conditions, could serve as a useful springboard to export opportunities and joint ventures overseas.

British industry has been fairly successful in meeting the challenges of the domestic market, and one or two companies have begun to win contracts overseas. But there are still significant gaps in the capability of UK companies to carry out all the tasks necessary on the UK continental shelf, especially in areas of high investment or of new specialised technology. Through the Offshore Supplies Office, the Department of Energy has worked hard to try to increase the share of offshore work in the UK sector of the North Sea falling to British industry. But it will need special initiatives if the UK is to catch up and take a substantial share of work in activities such as drilling, some aspects of underwater engineering and heavy-lift operations.

It has been argued that the amount of inspection and maintenance work on offer in the North Sea will increase steadily as the age of the various structures rises. But many oil companies now suggest that the extra opportunities offered by the ageing of facilities will be more than offset by improvements in inspection and maintenance technology. The market for such work in the southern North Sea gas fields, for example, is expected to remain more or less constant over the next five years.

The overall inspection, maintenance and repair market splits into two principal sectors governing work above and below the waterline. The value of each sector will probably be similar, but the activities call for very different skills. Work above the waterline is chiefly concerned with maintaining topside equipment, the various parts of the process and power generating units installed in modules on the platform deck. Keeping these process modules in full working order could be costing the oil companies as much as £90m a year by the early 1980s. In addition there could be work worth £5m a year in servicing drilling rigs and more than £10m a year in inspecting and maintaining onshore terminals. Much of this topside work will call on the kind of skills and experience already well tested in the running of refineries and petrochemical plants onshore.

This sector of the market is already marked, therefore, by sharp competition, because service companies can readily adapt their existing skills. Competition is especially severe for work in the southern gas fields, many of which have now been in production for more than 10 years, and competition in the more northerly oil fields is also being stepped up as more companies try to enter the market. With such sophisticated skills in demand for topside inspection and maintenance, the content of labour costs in the £55m total for this sector is necessarily high, perhaps as much as 60 per cent of the total. The remainder is accounted for by material costs, but much of the supply work here will be out of reach for new entrants to the market because oil companies will tend to return to original suppliers for replacements. As much as 90 per cent of the materials needed for scheduled topside work can be expected to go to original suppliers.

Specialists

Increasingly the larger oil companies are looking for specialist companies with local bases in the oil and gas field service towns such as Great Yarmouth and Aberdeen, to take on topside maintenance tasks. For companies that have been involved in the construction of platform modules and overall engineering design, it would be an attractive proposition to provide a complete package for inspection and maintenance to the oil companies on a turnkey basis. This approach has appealed to some of the smaller operators in the North Sea, but the larger oil companies seem to prefer to keep overall management control of these tasks in their own hands, contracting out only the specialist items of work as they arise. One oil company, British Petroleum, has gone into the business itself by becoming a partner in the Omisco inspection and maintenance consortium.

Much topside maintenance calls on skills that have existed in the oil industry for *many years, but beneath the* water level an entirely new set of problems is presented. For companies willing to take on the challenges of this work there is a market that by the early 1980s could be worth in excess of £100m a year. Offshore loading systems have already provided several problems in the relatively short producing lives of fields such as Beryl and Thistle. The annual maintenance bill could be running at about £30m a year in the early 1980s, especially when more fields such as Maureen and Fulmar are brought on stream, loading straight into tankers at the field. Underwater work on the maintenance of wells and the servicing of risers and subsea flowlines will probably total about £35m a year, with a further £25m being spent on pipeline work.

The problem of valuing the subsea part of offshore inspection and maintenance work available to the open market is made more difficult because many tasks will be carried out by the new generation of specialist vessels, often semi-submersibles, which the oil companies have designed both as floating workshops and as emergency vessels to cope with incidents such as blow-outs and platform fires. Work worth up to £50m a year could arise from the need to tackle special emergencies.

Many of the contracts for inspection and maintenance work on oilfields already in production have been placed in recent months. The EAE group, part of Plessey, for example, has taken several contracts for servicing communication equipment on fields such as Dunlin, Cormorant, Brent, Heather and Thistle. Ferranti is doing a similar job for the British National Oil Corporation.

Services

Mainwork is providing engineering services including maintenance planning, materials control, training and handbooks for the Statfjord A platform, while the John Wood Group is handling electrical, electronic and instrumentation work on part of the Frigg field.

There is no shortage of companies looking for entry into the subsea market, but many are short of the necessary training and underwater experience. There is particular scope for better training in this sector.

Eventually, according to some oil companies, as much as 90 per cent of routine underwater inspection work will be undertaken by remote controlled vehicles. But in the short term the present generation of unmanned submersibles offer great problems in navigation and reliability. A number of companies, such as P and O and Vickers, have found insuperable problems in this highly competitive branch of subsea work, and both have withdrawn from some of their interests in the field.

The threats to offshore structures from corrosion, marine growth and scouring remain, however, and although the market in the southern fields is unlikely to show much growth in the next few years, the

CONTINUED ON PAGE III

New underwater techniques

OFFSHORE contractors working on a "live" platform for the first time are often in for a surprise—even though they have had plenty of experience in the construction phase.

Safety regulations are more tough. Welding, for example, can only be done after permits have been obtained and strict precautions have been followed. Planning is more difficult. The operating staff do not always take kindly to interruptions from maintenance people. And accommodation, too, can be a bigger problem.

Above all, costs to the field partners rise enormously if the platform has to be shut down. Downtime on one of the Forties platforms, for example, could cost BP around £1m a day in lost production alone.

"There's nothing new about this really," comments Mike Tayler of Omisco, the UK-owned maintenance consortium. "Why do people keep on having to invent the wheel? Stop a VLCC for need of a vital part and it can cost £30,000 a day or more."

But there are, Mr. Tayler agrees, two important differences. One is scale: sooner lose £30,000 on a crippled VLCC than £1m on a shut-down platform. The other is that ship designers, with longer traditions, have borne maintenance more in mind than the designers of some oil platforms.

"On many ships, for example, you'll find a lifting eye above every large piece of plant that may have to be moved. You won't often find this on an oil platform. The beam above a piece of platform equipment may not even be strong enough to take its weight."

Hence some maintenance companies are evolving an approach which gives an extended meaning to the truism that downtime is money. It pays to spend a lot of time on the elaborate design of the work programme, they find, with the object of reducing time spent offshore.

It also pays to avoid "calendar" maintenance. Operators are moving towards "health monitoring" of their equipment. Vibration analysis and other techniques make it possible to know, with considerable precision, when rotating machinery is likely to fail. Known, unfairly, as "cliff-edge" maintenance, and, more kindly, as "predictive" maintenance, this saves much unnecessary interference with healthy machinery.

On some platforms, vibration analysis has been worked out at the design stage. On others it is being looked at now. One company in this area, Structural Dynamics, worked out vibration levels on Chevron's Ninian platform on a theoretical model before placement, and is now doing this for Shell's Fulmar platform. It has also begun a baseline measurement survey for Shell on Brent "A" and "D" and the Cormorant "A" platform which will help in the development of a fully predictive maintenance programme.

These principles are also being applied below the waterline. With Government backing, three companies—Seatek, Structural Monitoring and Structural Dynamics—have installed equipment on three platform jackets—on Forties, Montrose and Claymore—to assess the response of the jacket to sea and wind agitation. If the signal varies from the norm, a mini-computer calculates the type of failure and where it occurs.

Experimental

"It's still experimental," comments Dr. Tom Melling, of Structural Dynamics, "but we expect the method to prove highly effective, continuously monitoring jacket integrity. Faults will be picked up the moment they occur and the operator will know exactly where to send the divers."

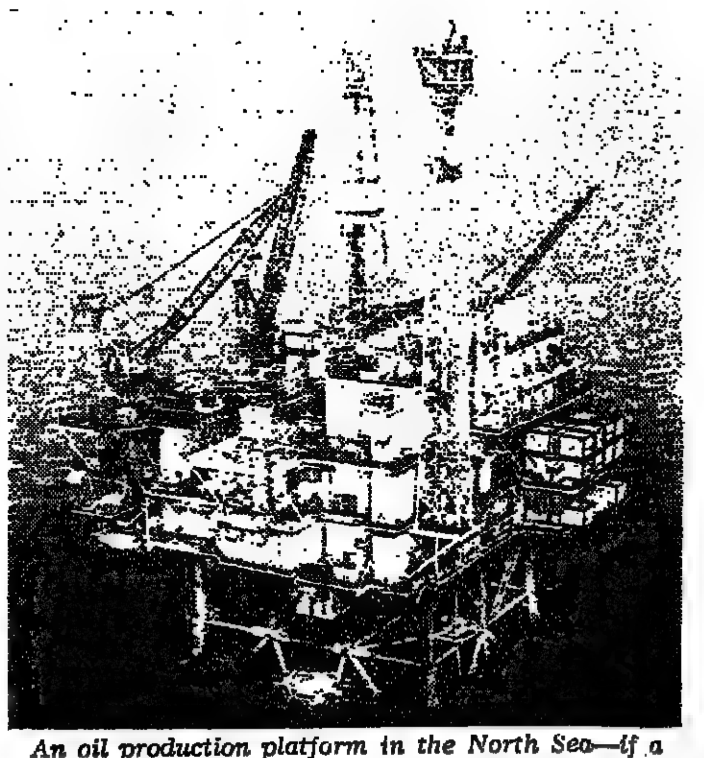
Knowing just where to send divers can be valuable. It costs £5,000 an hour to place a diver/inspector at a depth of 150 metres.

The diving companies, in turn, are changing their techniques. As North Sea experience grows, companies are moving away from traditional methods such as MPI (magnetic particle inspection), based on surface techniques, and placing more emphasis on closed circuit television, ultrasonic and photographic methods, helped by Government grants to improve design.

Comex recently produced a colour television system claimed to be particularly suitable for inspecting concrete structures, where colour contrast and high resolution are essential to data evaluation.

A shortage of skilled manpower, not equipment, is the diving industry's real problem. To train a fully-qualified inspector to become a diver can take two to three years, in addition to £5,000 for a basic training course at one of Britain's three diving schools.

There were 2,300 divers at work on Europe's north-west continental shelf last year—and the demand for them is expected to grow at about 5 per cent a year.



An oil production platform in the North Sea—if a shutdown occurred here it could cost around £1m a day in lost production alone.

The increased use of underwater vehicles, one-atmosphere suits and bells and remote-controlled devices, may help. On a multi-function support vessel, ordered by Occidental, there will be a one-atmosphere mobile diving unit. Experts in NDT can descend in the "shirt-sleeve" atmosphere, direct divers outside and tabulate and interpret their findings.

There are, however, considerable differences of opinion on the best methods of underwater inspection to use. For example, engineers at Elf Aquitaine, the Frigg field operator, have said that they regard saturation diving as expensive and, because of its psychological effect on the divers, unlikely to be 100 per cent reliable.

On Frigg all saturation workers are watched at all times by TV and it is the company's policy to reduce diving operations wherever possible and eventually to use remote-controlled vehicles (RCVs) for all underwater inspection.

Engineers of Chevron, Ninian field operator, take a similar view. They have said they would like to avoid the use of divers not only because they regard them as expensive but because the company is greatly concerned at the risks involved.

Every offshore equipment exhibition sees the unveiling of yet another underwater inspection device. Some have proved their worth but a number have yet to do so. Even the RCVs, a popular choice, have navigation and reliability problems.

Tom Hollobone, of the Association of Diving Contractors, likens the use of saturation divers and the alternatives to a golfer's choice of the clubs in his bag. As experience grows, methods and equipment will establish the roles in which they can best be used.

Divers are expensive—and have human failings, of course. But the alternatives are sometimes even more expensive and limited in application. "There is no substitute for the interpretative ability of a fully-qualified diver," insists one contractor.

The inspection and maintenance market, above and below the water line, seems to be one where there is room for any service or equipment which can do required tasks effectively. Whatever devices are used, however, manpower is expected to be the main problem—not only divers but particularly, electronic and inspection engineers.

Contractors point out that few oil platforms in the North Sea have been on station for more than 15 per cent of their planned lives. The troubles, they infer, have yet to come.

Alarmist predictions that some North Sea structures may collapse before their task is completed are generally dismissed by the industry as nonsense. Nevertheless, nobody is exactly sure how some structures will respond to long exposure to harsh conditions.

Consequently, a full report is awaited with interest of the first North Sea platform to be removed from location—a small steel jacket which served BP's West Sole gasfield in the southern North Sea for 12 years.

It appears to be in generally good condition. "The overall impression was that little corrosion has occurred, especially below astronomical tide level," said Mr. P. F. Lawrence of Harwell Corrosion Service after a preliminary examination.

"The coating had been effective and even where damage had occurred no corrosion had taken place due to the efficiency of the sacrificial anode cathodic protection system." The Ultrasonic Non-Destructive Testing Company found three minor weld cracks.

These reports offer some comfort to the owners, operators and designers of the many structures now in the water. But it remains to be seen whether the much larger structures in the northern North Sea will fare so happily.

Bruce Andrews

UK companies offer a wealth of expertise

THE NORTH Sea can be a hellish place in which to operate. It is cold, it is deep and the weather is often appalling. Yet it is precisely these adverse conditions which have enabled British-based companies to gain a competitive edge in the field of offshore inspection, repair and maintenance.

The rigours of the North Sea have made it imperative that greater expertise and better technology be developed in the area of inspection and maintenance. One result of this has been the setting up of a number of new companies over the past few years which specialise in maintaining oil rigs and gas platforms. And many of them are beginning to look to the opportunities offered by overseas offshore markets such as South America and India.

The North Sea offshore inspection and maintenance market is thought to be worth about £200m a year, though some would put the figure higher.

Today there is evidence that the pattern of repair and maintenance service on offer in both the North Sea and abroad is beginning to change.

Emphasis

There appears to be a growing emphasis on package deals although the idea has been slow to take off—partly because of the conservatism of some of the oil companies. This trend has been encouraged by the bringing together of different kinds of expertise under the umbrella of a single company.

Omisco, for example, has been formed by British Petroleum and Wimpey on a 50-50 basis. BP, the first major operator in the North Sea, had acquired great expertise in inspection, maintenance and repair and felt the time was right to exploit this on a general commercial basis as well as using it on its own rigs.

Wimpey had not been involved in inspection and maintenance at all but it had been in the business of offshore construction. In 1977 the two companies therefore decided to combine some of their resources and set up Omisco.

Omisco started by offering a complete offshore inspection and maintenance service including overall planning and management and it admits that the initial response from the oil companies was poor. The main problem was that most of the big oil companies were anxious to keep the general management of their own inspections and repairs under their own control. They were prepared to contract out individual jobs to specialist companies but they were determined to keep the planning side in their own hands.

According to Omisco, this approach often led to unnecessary inefficiency — sometimes over such simple matters as finding adequate sleeping accommodation for different groups of contract workers on the same oil rig at the same time.

But the company feels that resistance to package deal maintenance and inspection is beginning to break down. Perhaps one reason for this is the growing use of computers to store all the available information about an offshore structure and the equipment on it — Omisco claims to have developed its computerised systems further than most of its rivals.

The use of compfuters clearly makes it easier to plan inspection and repair work more efficiently. Computers also make it possible to ensure that key personnel are kept completely up to date on inspection results — a point stressed by Scotia Software Services, a new company which launched a computer-based data retrieval system for offshore inspection data last month. Scotia claims that the difficulties of handling large amounts of information have led to delays in inspection programes on some offshore platforms.

Other maintenance and repair companies that offer package deals include P and W Offshore Services and Mapel—both part of the William Press group—and McAlpine Sea Services, which was set up last month by the McAlpine group. McAlpine has been involved in the design and construction of concrete offshore platforms since 1974 and it seemed sensible therefore to use some of the expertise and skills it had acquired in the maintenance and inspection field.

McAlpine Sea Services makes the point that the longer an oil rig or gas platform is operating, the greater will be its need for regular inspection, maintenance and repair. The company believes therefore that "the future must be sound." It adds that expertise acquired in the construction field often can be usefully applied to maintenance and vice versa. For example, McAlpine Sea Services can draw on the group's experience in building concrete platforms to pinpoint areas of potential weakness in a structure. The information can then be used in drawing up an inspection programme with extra attention paid to those sections of a platform most likely to buckle, corrode or be attacked by seawater.

Most of the North Sea-based inspection and maintenance companies believe their biggest export opportunities are likely to come from Brazil, Mexico, India and China. Their major rivals for international offshore business are the North American companies which have been involved with offshore oil and gas operations for much longer than any British concerns.

But although the North Americans dominate their own domestic offshore repair and maintenance market—and UK-based companies see little hope of this changing—British-based concerns often have a knowledge of working in poor weather and in deep water that their U.S. counterparts lack. This can be particularly important when it comes to inspection and repair jobs off the South American and Indian coasts.

Reputation

Another factor in winning contracts is the internationalism of the oil industry. A company that earns a good reputation for work done in the North Sea is often approached to take on jobs in other parts of the world—perhaps by the same oil major that employed its services in the North Sea.

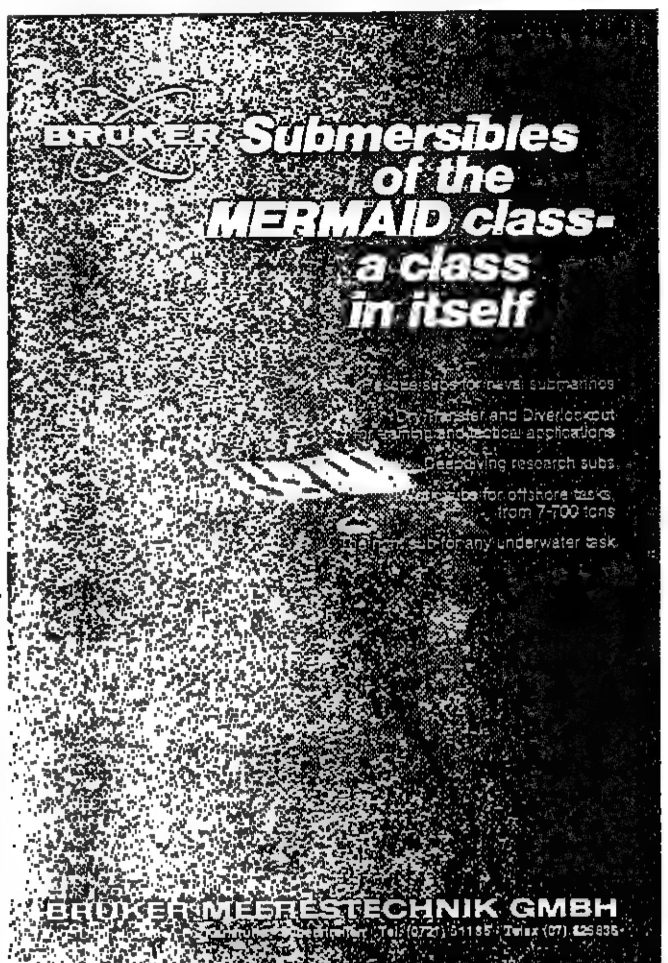
Meanwhile, it is clear that the Chinese are planning a huge expansion of their oil production and this will mean offshore exploration. The Chinese has already given British Petroleum a seismic survey contract and the group is planning to hold an offshore oil exhibition there this summer. North Sea-based inspection and maintenance concerns are now starting to weigh up the opportunities that China will offer in a few years' time.

Some of these companies already operate extensively abroad in the maintenance and inspection field. For example, Tokola, which became independent of Comex and John Brown last year, is working in Mexico and Korea and hopes to win contracts in Libya. Tokola says the techniques it has developed in the North Sea for dealing with such problems as marine growth and erosion will be useful in other deepwater areas.

Tokola reckons that the average cost of inspection and maintenance — excluding any major repairs—for an oil rig or platform offshore is now between £600,000 and £750,000 a year. It adds that the application of North Sea knowledge to the design of a Mexican offshore installation can bring about a saving of between 10 and 20 per cent in maintenance costs.

If expertise gained in the North Sea can bring improvements in cost efficiency of this order, it is likely that companies which have specialised in UK offshore inspection and maintenance will find ready export markets for their skill and their technology.

Sue Cameron



هكذا من الأصل

Problems for vessel makers

E NORTH SEA, which in the y 1970s appeared to promise much for Britain's marine istries, has inevitably turned to be something less than nanza.

K shipowners responded kly to the opportunities, cially in the supply boat support vessel field, but y have found the financial rns either dull or downright strous.

he most spectacular nple seems likely to be , which shut down its ea subsidiary last August heavy losses and has still sold the two mother ships related submersibles. Since , it has become clear that company intends to disen- further from energy ities with the probable sale s stake in the Beatrice field. most as spectacular, on the ne engineering rather than owning side, has been the ling of Vickers' interest in nersible operations. Heavy s by Vickers Oceanics have lted in this company selling of its offshore interest to National Enterprise Board British Shipbuilders.

fficulties

here has been no such at drama in the UK supply industry, but there are -seated over-capacity prob- which operators have so failed to resolve. Mean- other shipping companies entered the drilling field, very mixed results. me of the difficulties can ubtedly be put down to operators' inexperience of ore work and the problems of any industry in which tech- nology is rapidly developing, thus creating the possibility of rapid obsolescence or sheer lack of economic viability in mis- judged designs.

The submersibles field has probably been the most difficult in this respect, with both Vickers and P&O offering manned craft which were far more expensive than straight- forward diving systems but not sufficiently more productive.

Even Intersub, a company which has survived and obtained a reasonable rate of utilisation of its vessels (over 50 per cent last year) has produced only modest financial returns.

Intersub, a subsidiary of the Anglo-U.S. Northern Offshore, claimed 60 per cent of the North Sea submersibles market last year and expects this to increase in 1979 since the demise of its two main com- petitors.

This year, Intersub is offering five "spreads" (support ship plus submersible) with Fred Olsen Oceanics offering one or two and the Vickers situation unclear because of the takeover negotiations.

Intersub's success in at least surviving and establishing the products which its own France- based research and develop- ment staff have largely designed, has been based on its well received automatic pipe- tracking system, coupled with a diver lock-out capability. Other new ventures in preparation include an underwater acoustic holography system for non- destructive testing and the com- pany's first remote controlled vehicle (RCV).

Opinions differ about the future of RCV's and Intersub says it wants to carefully evaluate the first craft before committing itself. Others main- tain that only an unmanned vehicle will successfully com- pete on cost with a conventional saturation diving system. There are estimated to be between 10 and 20 RCVs available for work in the North Sea, although the range of jobs they are involved in is very wide. New models regularly offer themselves, indicating the continued high degree of uncertainty about optimum design and the reason why operation is such a risky business.

Slowdown

In supply boats, where most of the British shipping industry's efforts have been con- centrated, the problem is one of straightforward overcapacity, which is not being helped by the general slowdown in North Sea exploration and develop- ment.

British owners argue strongly that the UK sector of the North Sea, which is worth about £80m a year in supply boat terms, would not be overtonnaged but for the very large tax incentives given by the Norwegian Govern- ment in recent years to en- courage small investors to build boats in order-hungry Nor- wegian shipyards.

The British fleet of 85 supply and anchor handling vessels (excluding small tugs) has been overwhelmed, according to British owners, by the Nor- wegian fleet of 88 vessels which, despite some sales last year, is likely to continue growing as vessels already ordered are com- pleted.

According to the General Council of British Shipping, of the 100 supply boats employed in the UK sector at the end of January, half were foreign. Meanwhile, operators claim they are barred from Norwegian contracts by the flag preference attitudes of the Norwegian Government.

A recent survey by a British operator of diving support vessels in the UK sector, put the British flag share at 37 per cent, against 34 per cent for Norway, nine per cent for West Germany and 20 per cent for others.

The more outspoken British companies, such as Offshore Marine, the Cunard subsidiary —which has a fleet of 37 ves- sels—want the Department of Energy to adopt a similar stance to the Norwegians or persuade the Norwegians to open up their waters to UK operators. But the General Council, after a series of exchanges with the Government, appears to have accepted that a full-scale prefer- ence war would be counter to Britain's wider shipping inter- ests and, indeed, counter to the free trading philosophy which the industry has traditionally espoused.

To make matters more com- plicated, the Norwegians tend to turn the tables and accuse the British Government of protec- tionist attitudes against their industry. It is true that although *no formal legal powers exist for* such preference, a number of European and U.S. operators have taken the trouble to establish bases in Britain, to use British crews and fly the British flag.

Offshore Marine maintains that action to protect the British industry must there- fore be based upon vessel ownership rather than mere flag. Conversely, a number of British companies, such as Sea- forth Maritime and Ocean Inch- cape have established Nor- wegian connections to try to reverse the process, although not with much apparent success.

One point on which supply boat operators of all nationali- ties agree is that rates are too low. Some Norwegians say current levels are downright unprofitable and British opera- tors suggest there is room for a 20 per cent increase. Naturally, the oil companies do not share this view.

There are no early prospects of such an increase occurring, having regard to the latest Terminal Operators forecasts of North Sea demand for supply boats. This suggests that demand will decline steadily for the next three years before a sharp recovery in 1983.

Result

As a direct consequence, UK operators are looking outside the North Sea for employment for their vessels. One third of Offshore Marine's fleet is out- side North Sea waters and at the end of January just over half the UK fleet was on con- tract in the British sector, with 16 vessels contracted abroad and the rest either running the sport market, under repair or unemployed.

One way out of the general gloom of the staple supply boat industry is for companies to specialise in the increasingly sophisticated, purpose-built multi-purpose maintenance, emergency and support vessels.

The problem is that these vessels are extremely expensive —£50m for the BP craft under construction — and therefore unlikely to be built purely speculatively.

One of the most successful multi-purpose support craft in the North Sea, the Uncle John, was financed jointly by Eller- man Lines and Furness Withy, but the operating company, (Houlder Offshore) has not so far risked a follow-up order.

Something of an exception to this rule is Stolt Nielsen, whose £50m Seaway Swan was launched last year but which has only just taken on a 120- day contract with Shell. The company's other diving support vessels are all on long-term contracts. It is interesting to note that the recently formed Anglo-Norwegian company Swan Offshore, headed by a former managing director of Vickers Offshore Engineering, Mr. Richard England, is follow- ing a similar policy of introduc- ing extremely sophisticated, multi-purpose tonnage.

For the most part, however, large, semi-submersible emer- gency - maintenance - support vessels are likely to be ordered only against firm oil company commitments, the next of which should be from Shell-Esso for a vessel to serve in the com- panies' East Shetland fields.

British Shipbuilders is hop- ing to follow up its success in winning the BP order by also winning this contract for its Scott Lithgow yard, which specialises in offshore work. It has been underbid, however, by Harland and Wolff, the Belfast shipbuilder.

Ian Hargreaves

More interest in subsea systems

SIDE THE oil industry tend often to be two mis- ptions about subsea pro- on systems. One is that present a new and revolu- y method of exploiting re reservoirs. The other at they are mainly of st when an oilfield is in too deep to place a con- onal platform.

the North Sea, subsea ms are by no means new. first field to come on m in the British sector, the ll Field, in 1975, was pro- d from subsea wells from tart, to a converted semi- ersible rig, the Transworld

arket

ed principal immediate in- t in subsea systems is not deep-water applications. e is, after all, no location he North Sea which could take a conventional plat- What is interesting is the of satellite wells beyond the neter of the area the plat- wells can reach. These llites are mostly for oil uction. But they may also ater injection wells, used mprove the pressure of a voir and therefore its per- nance.

The present market for sub- sea systems in the UK sector of the North Sea is estimated by suppliers to be worth roughly £300m a year and is expected to continue at this level until the late 1980s.

In 1977 there were 11 subsea wellhead orders, one for the Ninian Field and 10 for South Cormorant. In 1978, there were 19—three for Beryl, three for Murchison, one for Montrose, two for Argyll, two for the North Hewitt gasfield and eight for the Buchan field. Buchan is to be served, like Argyll, from a converted rig. The rest are satellites.

The suppliers estimate now that the number of wellheads ordered until 1985 will be about 15 a year.

Oil companies are nervous of innovations—there is so much money at stake. Consequently, the systems ordered are mostly expected to be "wet," not dis- similar to those already installed in the North Sea, rather than the more complicated "dry" systems, the value of which, in the opinion of many oil men, has yet to be fully proved.

The estimated installed cost of a "wet" system, including lines to the platform and additional platform equipment, averages about $20m, giving the estimate of $300m for 15 wells.

The market has developed quietly, with little publicity, therefore no official or academic study has yet been inspired—as with other sections of the offshore market—to estimate its value with more precision. Yet the current list of firm inquiries and invitations to bid is encouraging.

The British National Oil Cor- poration is expected to order 11 subsea wellheads this year for the Thistle Field. Four will be water-injection wells to boost the present producing reservoir. Seven, the industry reports, will be satellite wells extending pro- duction to the platform from an area ("Area 6") outside the present producing perimeter.

Prospect

On BP's Magnus Field a seven- well subsea programme is ex- pected, to produce to the plat- form shortly to be ordered. Four wellheads are expected to be ordered this year and three next.

Thus, this year's 15 orders appear reasonably secure. Then the suppliers foresee a large number of probable orders, for fields where the operators are known to have carried out studies and made preliminary inquiries.

Over the next few years the "probables" forecast include subsea systems for the More- combe gasfield, Block 206/8 (west of Shetland), the Toni/ Thelma discovery, Cormorant North, Tartan and a likely well or two more on Argyll. Inquiries have been reported from the operators of three Nor- wegian fields—Statfjord, BP's block 7/12 discovery and an extension to the Frigg gasfield.

In the "possible" category must come the Hutton and Beryl North fields. Recently these were considered good prospects but the field partners now seem uncertain about their plans.

The suppliers also emphasise that they have had interest expressed by the operators of a number of other fields at present in production. "Sooner or later," says one, "we believe that there will be one or more subsea wells on virtually every field in the North Sea, either for produc- tion or water injection."

Even if only some of these hopes are realised the industry could sustain its forecast of 15 wells a year. Production profiles for some of the fields concerned —and therefore output fore- casts for Britain and Norway— could well be upgraded as a result.

Shell/Esso's plans appear to be the most dramatic. The group is said to have in mind a system for South Cormorant developed from Exxon's experimental sub- merged production system. This is a self-contained well and manifold unit remotely-con- trolled by a manipulator on a tracked template. The Shell Expro underwater development team in London is thought to have improved the Exxon con- cept and made it more flexible, to include satellite wells.

The South Cormorant system is said to be regarded by the field partners as a pilot scheme, to be followed shortly after by a similar scheme to obtain oil beyond the reach of the wells to be drilled from the platform.

It is uncertain, at the moment, what prospects these develop- ments will offer the inspection and maintenance industry. There certainly will be addi- tional work on the platform top- sides because of extensions to the production equipment. But, under water, the wellheads ("Christmas trees"), flowlines and connectors are designed for a 20-year life. Since few have been installed yet, prediction about their behaviour is diffi- cult.

The most vulnerable parts of a subsea system are the control systems but these are installed in "pods," easy to replace if necessary. There has been some trouble on existing installations with connectors on the electro- hydraulic lines and flowlines, cured so far by divers.

All subsea equipment is con- tinuously monitored from the platform and divers sent down if problems occur. Should a Christmas tree give serious trouble or extensive mainte- nance be needed, a rig is put over the well and the tree pulled to the surface. Shell/Esso's South Cormorant system, it is believed, will have a system of advanced remote repair on the manifold.

Automatic

The worst thing that could happen is that the wellhead could be pulled off completely by a dragging anchor or a fish- ing vessel's trawlboard. This has not happened yet. If it did, the change in pressure would cause the down-hole safety valve, and then the Christmas tree valves, to close automatic- ally. The same response would follow in the event of an incipient blow-out. Pollution of the sea would be negligible, say the suppliers.

Looking ahead, however, the suppliers hope to persuade oil companies to install "below mud-line" wellheads which, from the safety viewpoint, says one, would be the ideal answer.

For the most experienced view on subsea inspection and maintenance in the North Sea the obvious company to ask is Hamilton Brothers, operator of the Argyll field, now in its fourth year of production.

"Our trees are not going to be trouble-free for 20 years," said Mr. Bob Dyk of Hamilton. "We have regular diver inspec- tions and have had to deal with minor, but expensive, problems —flowline connections, for example."

One Christmas tree on Argyll was pulled up after three years, for general inspection, when the well flowered water. "It was in surprisingly good condition and is now back on the bottom," he said. "We've also had to pull up two trees to undertake work- overs on the wells for mechan- ical reasons. Then we put them back again—there was no trouble."

Bruce Andrews

Oil wealth

CONTINUED FROM PAGE ONE

market for inspection, mainten- ance and repair in the more northerly fields is set to expand at 10-12 per cent a year as more facilities are installed and more fields come into production.

Analysis

The market on the UK continental shelf alone is large, reflecting the massive invest- ment that is being made there, but it is not an easy one to enter, as several companies have found to their cost. It is a market that needs careful analysis and one most available to those with specialist skills to offer.

The techniques of offshore inspection and maintenance, especially underwater, appear certain to improve significantly as methods such as vibration analysis, crack monitoring underwater through acoustic emissions and techniques of non-destructive testing are developed. Such sophistication will be particularly necessary as production moves into deeper water. The new generation of equipment such as tension leg platforms and subsea production systems, designed for water depths of more than 600 feet, will necessarily demand the development of new inspection and maintenance and repair skills to keep pace.

Dow 1.6 off at mid-session on profit-taking

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—77¼% (79½%)
Effective $2.0370 38¼% (40¼%)

AFTER STARTING on a bright note, Wall Street stocks tended to drift back on profit-taking in another fairly active early trade to leave declines leading gains by a small margin at mid-session.

The Dow Jones Industrial Average improved 3.21 to 850.14 at 10.30 am. before reacting to 845.37 at 1 pm for a net loss of 1.56. The NYSE All Common Index was 9 cents down at $55.90, after initially rising to $56.05. Trading volume amounted to 17.39m shares, against the previous day's 1 pm figure of 19.95m.

Closing prices and market reports were not available for this edition.

Analysts said news that the Israeli Cabinet had accepted the latest compromise proposals aimed at achieving a peace treaty provided traders with a good opportunity to cash in on recent gains.

They added that the market may need some more time to consolidate the gains of the past two weeks, which have resulted in a near 40 points rise in the D-J Industrial Average.

Energy issues and Gold shares were among the few groups showing gains, although some individual issues continued to respond to corporate developments.

Active **Exxon** gained ¼ to $53¼ and **Standard Oil of Ohio** $1 to $46½. Sohio lost $1 on Wednesday after dropping plans to build a California to Texas oil pipeline.

Southland Royalty put on ⅜ to $56⅞ and **Tenneco** ¼ to $30½. They have jointly agreed to buy oil and gas assets of International Paper's general crude oil unit for $705m. **International Paper** added ⅛ at $44⅝.

Dorr-Oliver advanced 2¼ to $23½. **Curtiss-Wright** is buying the Dorr-Oliver shares it does not own for $23 apiece. Curtiss-Wright eased ¼ to $14¾.

IBM shed $1 to $307½, **Du Pont** also $1 to $135¼. **Teledyne** ⅞ to $117½, **Smithkline** ⅞ to $90½, **Polaroid** ¼ to $40⅞ and **Eastman Kodak** ¼ to $61½.

National Airlines were unchanged at $40. Texas International Airlines may meet with National to discuss modifications of the merger proposal that National has rejected. **Texas International** receded ⅜ to $11⅞ in American stock exchange trading.

THE AMERICAN SE Market Value Index was still 0.24 higher at 170.39 at 1 pm, after earlier reaching 170.97. Volume 2.30m shares (2.38m).

Amex volume leader, **Canadian Superior Oil** moved ahead 3½ to $88. It may merge with its parent, **Superior Oil**, which rose $2 to $346 in New York stock exchange trading.

Golden Nugget added ⅜ at $24⅞ despite a fourth-quarter loss. **Nolex** declined ¼ to $4½. Its flip-n-sip carton packaging machine needs more business.

Canada

Most sectors continued to advance in very busy trading yesterday morning.

The Toronto Composite Index rose 3.5 more to 1,417.6 at mid-day, while Oils and Gas advanced 15.8 to 2,095.1, Utilities 1.75 to 209.96. Banks 0.40 to 300.84, and Papers 0.37 to 164.49. Golds, in contrast, reacted 17.9 to 1,521.5, while Metals and Minerals shed 3.6 to 1,268.8.

Among Oil and Gas issues, **Texaco Canada**, C$55, **Hudson's Bay Oil**, C$59½, **Dome Petroleum**, C$123⅞, and **Westburne**, C$39¼, were each $1 higher.

The Real Estate group climbed over 26 points on index as **Cadillac Fairview** added ½ at C$13½.

Among Transportation issues, **Canadian Pacific** rose ⅜ to C$26⅞. **Travelways** C$1 to C$12 and **Laidlaw "A"** ⅜ to C$11½.

Anglo Dominion Gold put on 15 cents to C$1.45 following a fixed price offering of 125,000 shares at C$1.06 a share yesterday morning.

Vulcan Industrial Packaging fell 1½ to C$7¼ after a two-day halt for news that the company is to terminate operations of its Chicago subsidiary.

Tokyo

Profit-taking more than erased an initial market improvement yesterday, leaving stocks lower for choice on the day after another moderate business. The Nikkei-Dow Jones Average ended a net 10.29 down at 6,048.01, while the Tokyo SE index lost 1.13 to 447.76. Turnover matched Tuesday's level of 250m shares.

Leading the early rise were energy-related issues, such as oil companies, drawing fresh support from the U.S. Exxon's plan to cut crude oil supplies to unaffiliated Japanese companies.

Teikoku Oil gained Y16 to Y456, **Arabian Oil** Y270 to Y2,620 and **Mitsui Mining** Y7 to Y380.

Uncertainties over Japan's economic outlook and possible revival of inflation in Japan depressed general market sentiment later in the day, but Real Estates continued to find favour as a hedge against inflation.

A sharp rise in the dollar against the yen on the Tokyo foreign exchange market prompted early gains in export-related issues, but these were later eroded by profit-taking. **Pioneer Electronic** were still Y20 up at Y2,200 and **Honda Motor** Y4 firmer at Y483, but **Nissan Motors** closed Y10 off at Y660 and **TDK Electronics** Y20 down at Y1,780.

Germany

There was a slight technical recovery in quiet conditions, which left the Commerzbank Index 2.7 firmer at 797.8.

Dealers said that besides technical factors, rumours of a Discount Rate rise, were still having some effect on the level of trading. Most traders, however, thought the rumours were fading away after the Bundesbank announced that it would not hold a Press conference after today's meeting of the Central Bank Council, and banking sources remarked that tightening credit would not make sense.

Stores fared the best, with **Neckermann** adding DM 2.50 and **Karstadt** DM 1.00, while gains elsewhere were mainly marginal. Among Motors, **BMW** put on DM 1.00, but **Volkswagen** declined DM 1.50.

Deutsche Babcock were unchanged, failing to respond to news that Iran will retain its minority stake.

On the Domestic Bond market, sellers were again to the fore, with Public Authority issues easing up to 60 pfennigs more and the Bundesbank buying DM 13.4m nominal of paper after DM 9.3m purchases on Wednesday. Mark Foreign Loans were narrowly mixed.

Paris

Bourse employees continued their two-week-old strike yesterday in the absence of any contacts with the stockbrokers to discuss their wage claims.

The Paris Stockbrokers Association published forward share quotes, but markets in these shares were very narrow and uotes can only be taken as a rough guide to share price levels. The Financial Times list of Paris stocks has been updated with these uotations.

Switzerland

Bourse prices generally rallied, underpinned by the recovery of the Bond market following a Swiss National Bank statement that it had no plans to curb new Foreign or Domestic Bond issues and National Bank vice-president Leo Schuermann's statement that Swiss interest rates must be kept low.

Credit Suisse gained 30 to SwFr. 2,350, **Ciba Geigy** 20 to SwFr. 1,225, **Nestle** 35 to SwFr. 3,570 and **Union Bank** 30 to SwFr. 3,310.

Johannesburg

Gold shares were inclined to pick up in line with Bullion indications, with a downturn in the Financial Rand, quoted at 75 U.S. cents (76¾), underpinning the steadier trend.

Mining Financials were also steadier. After results, **General Mining** gained 5 cents to R9.10. Diamond issue **Anamint** were 50 cents firmer on results.

Australia

Share prices faltered in early trading, but recovered in the afternoon to close mixed with a higher bias on balance. The Sydney All Ordinary index finished at 591.54, just 0.13 below the new 1978-79 high attained on Tuesday.

Interest generated by the Australian petroleum exploration conference in Perth has been largely behind the recent rises for BHP and other oil and gas exploration and production stocks.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
♤ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Indices

NEW YORK —DOW JONES

	Mar. 15	Mar. 12	Mar. 9	Mar. 8	Mar. 7	Mar. 6	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	846.85	844.88	842.86	844.86	834.23	826.58	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds.	84.45	84.46	84.64	84.76	84.76	84.68	90.86 (4/1/78)	84.08 (15/1/79)	—	—
Transport..	215.28	213.87	214.01	215.82	211.75	203.97	261.48 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	103.39	103.55	104.16	104.06	103.56	103.48	110.98 (3/1)	97.73 (20/12)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's†	31,170	25,740	33,690	32,060	28,990	24,690	—	—	—	—

● Day's high 855.60 low 840.76

Ind. div. yield %	Mar. 9	Mar. 2	Feb. 23	Year ago (approx)
	5.87	6.04	5.95	6.14

STANDARD AND POORS

	Mar. 13	Mar. 12	Mar. 9	Mar. 8	Mar. 7	Mar. 6	1978-79 High	1978-79 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	111.29	111.11	110.89	110.35	108.67	108.07	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.53 (30/6/32)
§Composite	99.84	99.67	99.54	99.58	98.44	97.87	(106.99) (12/9)	86.90 (6/3)	125.85 (11/1/63)	4.40 (1/6/32)

BASE LENDING RATES

A.B.N. Bank	13 %
Allied Irish Banks Ltd.	13 %
Amro Bank	13 %
American Express Bk.	13 %
A P Bank Ltd.	13 %
Henry Ansbacher	13 %
Associates Cap. Corp.	14 %
Banco de Bilbao	13 %
Bank of Credit & Cmce.	13 %
Bank of Cyprus	13 %
Bank of N.S.W.	13 %
Banque Belge Ltd.	13 %
Banque du Rhone et de la Tamise S.A.	13½%
Barclays Bank	13 %
Bremar Holdings Ltd.	14 %
Brit. Bank of Mid. East	13 %
■ Brown Shipley	13 %
Canada Perm't Trust	13 %
Cayzer Ltd.	13 %
Cedar Holdings	13 %
■ Charterhouse Japhet	12½%
Choulartons	13 %
C. E. Coates	13 %
Consolidated Credits	13½%
Co-operative Bank	*13 %
Corinthian Securities	13 %
Credit Lyonnais	13 %
The Cyprus Popular Bk.	13 %
Duncan Lawrie	13 %
Eagil Trust	13 %
English Transcont.	13½%
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	13 %
Greyhound Guaranty	13½%
Grindlays Bank	‡13 %
■ Guinness Mahon	13 %
■ Hambros Bank	13 %
■ Hill Samuel	§13 %
C. Hoare & Co.	†13 %
Julian S. Hodge	14 %
Hongkong & Shanghai	13 %
Industrial Bk. of Scot.	13½%
Keyser Ullmann	13 %
Knowsley & Co. Ltd.	14½%
Lloyds Bank	13 %
London Mercantile	13 %
Edward Manson & Co.	14 %
Midland Bank	13 %
■ Samuel Montagu	13 %
■ Morgan Grenfell	13 %
National Westminster	13 %
Norwich General Trust	13 %
P. S. Refson & Co.	13 %
Rossminster	13 %
Royal Bk. Canada Tst.	13½%
Schlesinger Limited	13 %
E. S. Schwab	14 %
Security Trust Co. Ltd.	14 %
Shenley Trust	15 %
Standard Chartered	13 %
Trade Dev. Bank	13 %
Trustee Savings Bank	13 %
Twentieth Century Bk.	14 %
United Bank of Kuwait	13 %
Whiteaway Laidlaw	13½%
Williams & Glyn's	13 %
Yorkshire Bank	13 %

■ Members of the Accepting Houses Committee
* 7-day deposits 10¼%, 1-month deposits 10¾%.
† 7-day deposits on sums of £10,000 and under 10½%, up to £25,000 11% and over £25,000 11¼%.
‡ Call deposits over £1,000 10½%.
§ Demand deposits 11%.

COMMODITIES and AGRICULTURE

Inco lifts nickel price

By Our Commodities Editor

NTERNATIONAL NICKEL 'esterday gave its seal of pproval to nickel price inreases already announced by ther producers.

Inco said it was raising its rices by a similar amount, oughly 10 per cent. Effective nmediately the world price of lating nickel goes up from 2.10 to $2.30 a pound; melting ickel from $2.05 to $2.25 and harge nickel from $1.96 to 2.16.

The UK price equivalent rises £2,523.14 a tonne for plating ickel; £2,467.91 a tonne for ielting; and £2,369.29 for harge nickel.

Inco only resumed officially uoting prices on February 2, tablishing higher levels than 1978.

Although demand for nickel reported to have improved, e main influence behind the se in prices has been the duction in surplus stocks cause of the prolonged strike Inco's Sudbury mines.

The loss of production at idbury is estimated at around m lbs a month. Stocks held Inco fell to 230m lb by the d of 1978 compared with a ak of 340m lb at end-1977.

The company said yesterday would be able to maintain gular deliveries at least until e end of the second quarter farch-June).

The U.S. subsidiary of Alcan uminium yesterday raised minium ingot prices by cents a pound to 59 cents.

Sugar exports approved

BRUSSELS — The EEC Comssion authorised exports of 750 tonnes of white sugar at weekly tender yesterday.

Maximum export rebate was at 25.40 units of account per kilos, up from 25.269 UA t week.

n Washington the House ricultural Committee put off ion on new sugar legislation en it was unable to muster quorum for yesterday's eting.

And in London the prices for and white sugar were raised to £104 and £103 respectively.

The area sown to sugar beet West Germany this year is ly to fall to 396,000 hectares, 0 hectares below last year's l, Agriculture Ministry res show.

ter

Selling wave hits cocoa

BY RICHARD MOONEY

LONDON COCOA futures prices fell sharply yesterday as offerings of supplies from producer countries sparked-off a wave of selling from trade and speculators alike.

A £40 permissible limit fall in the morning was extended during the afternoon. By the close the May position had lost £77.25 to £1,673.75 a tonne, the lowest level since last June.

Prices have traded in a narrow range in recent weeks with the producing countries and manufacturers standing aside from the market. Speculation on which side would break the deadlock ended yesterday, however, when heavy producer selling emerged, mainly from the Ivory Coast.

Some manufacturer support followed but not enough to stem the tide of hedging, chartist and "stop-loss" sales that ensued.

The basic tone of the market has been "bearish" for some time as world production prospects have been improved by the development of a heavier-than-expected Brazilian crop.

At the same time available supplies in Europe have been plentiful. Continental warehouses are well stocked with Ivory Coast, Brazilian, Nigerian and Cameroons cocoa, some of which is now being tendered against the expiring March position on the London terminal market.

With the month not yet half over 8,180 tonnes of cocoa beans have already been tendered for delivery.

The underlying weakness of the market seems not to have been affected by the apparently "bullish" supply/demand projections published by the International Cocoa Organisation on Tuesday.

The ICO forecast that grindings would exceed world output by 13,000 tonnes this year — a figure which differed sharply from market projections. Gill and Duffus, London-based merchants, said last month that it expected a 42,000 tonnes surplus this season.

London traders said yesterday they thought the ICO's production figures were far too low, particularly for the Ivory Coast and Brazil, but some thought its increased grindings estimate might prove well founded.

Stockpile sales plan

WASHINGTON — The Carter Administration is considering proposals to seek Congressional authorisation to dispose of 10,000 long tons of tin and 15m ounces of silver from the nation's stockpile in the 1980 fiscal year, starting October 1, White House officials confirmed yesterday, reports Reuter.

An Administration official said the information on the plans for stockpile disposals probably will be contained in a House Armed Services Committee report due to be released early next week.

The 1980 budget estimates that about $177m will be generated from stockpile sales of mainly tin, silver and diamonds. The sales probably would be done on a competitive bid basis.

Our Commodities Editor writes: There was little reaction on the London tin market to the stockpile report. It is very much in line with what traders have been expecting.

The release of 10,000 tonnes of stockpile tin should not have too much effect on the supply-demand situation. What is not clear, however, is whether a further 5,000 tonnes of stockpile tin will be released as the U.S. contribution to the International Tin Council's buffer stock, prior to October.

In any event tin prices closed higher yesterday on the Metal Exchange with cash tin gaining £55 to £7,390 a tonne. Silver prices moved up too since the proposed stockpile sale figure is much smaller than anticipated.

Zinc was lifted by rumours of another rise in the European producer prices being imminent. A leading U.S. producer, New Jersey Zinc, announced it was raising its domestic zinc selling price by 3 cents to 39.50 cents a pound.

The European zinc producer price, which often moves in line with U.S. price changes, has already been raised twice this year to the current level of $800 a tonne. But producers argue that prices are still uneconomic.

Marginal farm survey promised

By Our Commodities Staff

THE MINISTRY of Agriculture plans a survey of marginal farming regions to discover the cost and feasibility of paying grants and subsidies to farmers working the land there.

Mr. John Silkin, Minister of Agriculture, said in reply to a Parliamentary question that officials had been studying the problems of marginal land outside the traditional hill areas for some time.

"We intend to survey these marginal areas in greater detail to establish their extent, their stocking and cropping, the natural and other handicaps affecting them, and the cost and feasibility of offering special assistance through capital grants or otherwise," he said.

Such assistance would be governed by the Common Market's legislation on less-favoured areas and any proposals to increase the area officially designated less-favoured would have to be approved by the Commission.

At present some 7.5m hectares about 40 per cent of farm land in the country, is covered by the Community legislation.

The Ministry's action follows a long campaign by farmers and landowners asking for special assistance

Bigger Chinese grain imports forecast

WASHINGTON — China's annual grain imports may exceed 12m tonnes because of deficient agricultural output or increased efforts to diversify Chinese diets, predicted McJohn Nuttall, international economist at the U.S. Agriculture Department's Foreign Agricultural Service (FAS).

Mr. Nuttall told a trade conference at Kansas State University, that China's imports of agricultural commodities will rise and the U.S. will become a regular supplier of wheat, maize, soyabeans, soyabean products and cotton.

Feedgairn imports will depend on the development of pig and poultry farms near large urban centres as well as increased total pig and poultry numbers, he said.

While the outlook for sales to China is good, Mr. Nuttall said the U.S. faces stiff competition from other nations.

Reuter

HARP SEALS

Canada defends slaughter

BY RICHARD MOONEY

FOLLOWING THE public outcry which prevented the proposed killing of large numbers of grey seals on the Orkneys last October, interest in the annual Canadian slaughter of harp seals is now greater than ever.

But despite the efforts of protestors—who sprayed seal pups with red dye to spoil their pelts—the hunt began on schedule last weekend.

In response to the increased publicity, the Canadian authorities have issued a document defending their policy on seal hunting.

"Canadian Government policy on sealing is consistent with its policies on the management of other fisheries or wildlife resources. The Government regards seals as a natural resource to be harvested as are many other species," the document states.

This view is evidently widely held in Canada. In March 1977 the Canadian House of Commons unanimously passed a resolution reaffirming the right of Canadians to hunt seals.

But international conservation and animal welfare groups see things rather differently. While few claim the hunt is threatening the existence of harp seal herds, most conservationists are unhappy with the quality of the seal population data on which the Canadians base their arguments.

That harp seals are the second most abundant species in the world is undisputed. The Canadian Government estimates the global population at about 2m with 1.3m-1.4m in the Northwest Atlantic.

Last November the standing committee on Research and Statistics of the International Commission for the Northwest Atlantic Fisheries estimated that between 345,000 and 358,000 harp seal pups would be born in the Northwest Atlantic in 1979. It thought 214,000-240,000 could be "removed" without reducing the basic population level.

Against this background the Canadians argue that their harvest quota of 170,000 (not including native catches estimated at 10,000) is decidedly conservative. "These catch restrictions are designed to permit the harp seal population to increase slowly in size," the Government says.

But Greenpeace, the international conservation group which was in the forefront of the successful Orkney cull protest, says that an aerial census carried out last year indicated a birth total of only 250,000.

On the humanity of the seal hunters' killing methods Greenpeace is even more sceptical.

The Canadians admit that the slaughter is "visually unpleasant" but claim "unequivocal evidence" that the seals deaths are humane—"more humane, in fact, than in most animal slaughter operations."

This claim is not supported however, by the observations of Greenpeace representatives who have attended hunts.

"Mothers try to protect their young from the hunters while the infants cower in apparent fear," according to one observer.

Greenpeace's concern has been echoed by Dr. William Jordan of the Royal Society for the Prevention of Cruelty to Animals who has also witnessed the slaughter. "I have good reason to doubt that the killing of harp seals is humane. It cannot be said with any degree of certainty that death is instantaneous," Dr. Jordan stated.

Set against the conservation uncertainties and humanity arguments, however, are the social needs of the sealers.

And it is these considerations which set the Canadian hunt apart from the abandoned Orkney cull. Whereas the British grey seals were to be killed by imported hunters for supposed ecological reasons the Canadian harp seals have for generations been the traditional winter prey of the isolated fishing communities on Canada's east coast.

The seal hunt provides seasonal employment for up to 6,000 men who at other times of the year harvest lobsters, salmon, cod and other fish. That an end to the hunt would impose real hardship on these men and their communities is undeniable.

A Canadian Government survey showed the sealing industry contributed $5.5m (£2.75m) to the Atlantic regional economy in 1976 and this figure is estimated to have risen to about $6.5m last year.

While admitting this represents only a small percentage of the total income of the provinces in which sealing is conducted the Government stresses that its regional significance is much greater. Some men derive as much as one-third of their annual income from seal hunting, it says.

One further argument in favour of sealing which is conspicuous by its absence from this year's official defence is the damage the seals are claimed to do to fish stocks. In the past it has been argued that the seals were eating up large quantities of capelin

But the conservationists have neatly turned this argument on its head. They say that overfishing of capelin—the fishery collapsed last year—has in fact deprived the seals of a major part of their food resource.

Whatever the rights and wrongs of the case, however, the fate of Canada's sealers is most likely to be decided abroad. The U.S. already considers the harp seal a "depleted species" and has banned the import of its pelts.

Trouble at common fund talks

BY BRIJ KHINDARIA IN GENEVA

NEGOTIATIONS TO create a multi-million dollar fund to stabilise world prices for at least 10 key commodities have run into difficulties which could widen the rift between rich and poor countries.

The one-week talks are due to close on Friday but delegates say the main issues are still far from settlement.

Developing countries broke off the three-year-old negotiations last year, saying richer nations had no intention of honouring a promise, made at an Unctad negotiation in Nairobi in 1976, to set up the fund. The fund would be part of an integrated commodity programme to stabilise markets for commodities that are vital export income earners for certain poorer nations.

The main difficulties concern the planned fund's first phase which would provide money or credit for operating reserve stocks.

The basic idea so far is that each commodity in the integrated programme would be the subject of an international arrangement under which a committee would buy the commodity for storage in times of surplus and sell it in times of shortage to keep world prices within agreed margins.

To this notion of price stabilisation the poorer producer nations have added the demands that they be allowed to use output and export curbs in times of over-production, and that prices should be high enough to keep their export earnings on a rising trend.

Industrialised countries have so far argued that the direct contributions should cover only administration expenses and the funds should be mainly a pool of resources collected by the separate international commodity arrangements.

The developing countries are still seeking direct government payments to the fund of about $600m and their newest proposal calls for a compulsory first contribution by each participating country of $1m.

The industrialised nations have offered to consider a maximum of $250m, including about $30m in cash.

Cyprus potatoes on the way

MR. ANDREAS SAVVIDES, chairman of the Cyprus Potato Marketing Board, has forecast that Cyprus potatoes should secure "good prices" this spring. He said some 140,000 tonnes of spring crop were expected to be shipped abroad between March and June.

He said most of them (around 110-115,000 tonnes) would be exported to the UK—"traditionally our most important market." Smaller quantities would go to Austria, Scandinavia, Arab countries and even Africa.

Sources close to the Ministry of Agriculture said this year's spring crop was "very good, because of favourable weather conditions." Packing and shipment has already begun—the first time this has happened—so early in March.

RITISH COMMODITY MARKETS

ASE METALS

OPPER—Edged up on the London l Exchange, to finish a fraction w the day's highest levels following confirmation of the strikes in and vague rumours of fighting Africa. After opening at £983 ard metal dipped to £975 on the ing kerb reflecting hedge selling the absence of trade support. ever, in the afternoon it picked to the day's high of £988.5 on late kerb prior to a close of Turnover 17,375 tonnes.

PER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
bars				
	960-1	+15	966-7	+4.5
nths.	978-.5	+15.5	984.5-5	+5.5
'm,nt	961	+15	—	......
odes				
	955-.5	+11	961-3	+4
nths.	971-2	+12.5	979-80	+6
'm,nt	955.5	+11.5	—	......
Smt..	—	......	*90-8	

malgamated Metal Trading reported in the morning cash wirebars ad at £961, three months £977.5, 78.5, 79, 79.5, 79, 79.5, 80, 79.5, 78, 78.5. Cathodes, cash £956, three months £972, 71.5. Kerb: bars, three months £977, 76, 75. Afternoon: Wirebars, cash £966, e months £977, 77.5, 78, 78, 79.5, 82, 83, 84, 85, 84.5. Kerb: Wire-, three months £983, 82, 84, 84.5, 88, 88, 88.5, 87, 86, 86.5, 87.

N—Firmer following fresh buying, ing against European and U.S. sical business and buying against reported sales to an eastern bloc country. Forward metal opened around £7,220 and moved ahead to close at £7,275 after touching £7,290 at one point. Turnover 1,905 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7340-50	+12.5	7380-400	+55
3 months	7260-80	+40	7290-310	+45
Settlem't	7350	+15	—	......
Standard				
Cash	7340-5	+12.5	7380-400	+55
3 months	7245-50	+30	7275-80	+50
Settlem't	7345	+10	—	......
Straits. E.	‡1945	+10	—	......
New York	—	......		......

Morning: Standard, cash £7,345, three months £7,240, 45, 50, 45, 50. Kerb: Standard, cash £7,350. Afternoon: Standard, three months £7,240, 50, 70, 90, 85, 80, 75. Kerb: Standard, three months £7,280, 90, 75.

LEAD—Lower following trade selling coupled with speculative profit-taking. Forward metal traded around £549 on the pre-market and edged up to £554 before easing back to £546.5 in the afternoon. However, on the late kerb the price rallied to close at £547 after touching £549. Turnover 8,471 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	597-8	—8	594-6	—10
3 months	548-9	—6	547.5-8	—9
Sett'ment	598	—8	—	......
U.S. Spot	—	......	*44	......

Morning: Cash £597, 98, three months £553, 52, 51, 50, 48, 49. Kerb: Three months £548, 46. Afternoon: Three months £546, 47, 46.5, 48, 47.5, 47, 47.5. Kerb: Three months £549, 48.5, 48, 48, 47, 46.

ZINC—Marginally firmer in quiet trading with forward metal opening at £389.5 and moving ahead to £394 before closing at £392.5 on the late kerb. Turnover 2,750 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial
	£	£	£
Cash	377-8	+3	378.5-80.5
3 months	389-.5	+2.75	392-.5
S'ment	378	+3	—
Prim.west	—	......	*37.5

Morning: Cash £377, three months £391, 90, 90.5, 89.5, 89. Kerb: months £389. Afternoon three months £390, 90.5, 91, 91.5, 92. Kerb: months £394, 93.5, 93.

ALUMINIUM—Higher reflecting firmness of copper. Forward opened at £733 and moved up £742.5 before closing at £740 on late kerb. Turnover 4,975 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial
	£	£	£
Spot	742-3	+16.5	742-4
3 months	740-1	+9	741-2

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Cash £742, 43, three months £735, 37, 38, 38.5, 39, 40. Afternoon: Cash £743, three months £740, 5, 41, 42.5, 41.5, 41, 41.5, 42. Kerb: Three months £741.

SILVER

Silver was fixed 2.95p an ounce higher for spot delivery in the London bullion market yesterday at 351.3p. U.S. cent equivalents of the fixing levels were: Spot 716.3c, up 3.7c; three-month 731.4c, up 2.5c; six-month 748.3c, up 3.5c; and 12-month 781.0c, up 7.0c. The metal opened at

AMERICAN MARKETS

NEW YORK, March 14. Copper—March 87.50 (87.20), April 87.95 (87.65), May 88.70, July 89.30, Sept. 89.70, Dec. 90.15, Jan. 90.30, March 90.65, May 90.80, July 91.08, Sept. 91.30, Dec. 91.70, Jan. 91.80. Potatoes (round whites)—Nov. 60.3 (61.0), March 68.0-68.3 (68.5), April nil, May 82.5-83.3. Sales 66.

(62.15), May 62.70-62.85 (61.90), July 62.90-62.75, August 60.75-60.55. Sales: 4,673.

Shell Eggs—March 66.05 asked (66.50), April 53.75 (63.85), May 51.95-55.20, June 53.20, Sept. 61.00, Nov. nil, Dec. 63.55 asked. Sales: 182.

Silver—March 722.0 nom. (718.5), April 723.0-723.5 (720.8), May 729.0.

Soyabeans: U.S. Two Yellow Gulfports Afloat $298, March $298.50, April-May $300, June-July $301, Aug. $300.75, Sept. $298, Oct. $279.50, Nov. $278, Dec. $281.25, Jan. $284.50, Feb. $288.25, March $289.25; Brazil Yellow faq

$123.50, March $123, April $123, May $122.50, June $121, July-Sept. $120.50, Oct.-Dec. $121.50, Jan.-March $129.

1,415-1,418, July 1,423-1,450, Sept. 1,460, Dec. 1,490-1,500, March 1,490 bid. Sales at call 13. Accumulative total 142.

Sugar (FFr. per 100 kilos): May 900-905, July 921-927, Aug. 945-950, Oct. 980-987, Nov. 976-985, Dec. 1,025-1,028, March 1,051-1,070, May 1,080-1,090. Sales at call 1.

SOYABEAN MEAL

The London market opened slightly down on an easier cash market, reported T. G. Roddick. With dull trading conditions the market closed unchanged at 20p up.

PRICE CHANGES

In tonnes unless otherwise stated.

INDICES

FINANCIAL TIMES

Mar. 13	Mar. 12	M'nth ago	Year ago
271.34	270.45	264.97	235.94

(Base: July 1, 1952=100)

MOODY'S

Mar. 13	Mar. 12	M'nth ago	Year ago
1054.2	1055.2	1030.6	905.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 13	Mar. 12	Month ago	Year ago
Spot	380.10	379.89	381.42	359.95
F'tur's	395.55	385.02	377.61	345.74

(Average 1924-25-26=100)

REUTERS

Mar. 14	Mar. 13	M'nth ago	Year ago
1541.3	1539.0	1519.5	1394.4

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Equity confidence returns after Tuesday's sell-off

Gilts remain volatile and settle a point down after-hours

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 26	Mar. 8	Mar. 9	Mar. 20
Mar. 12	Mar. 22	Mar. 23	Apr. 3
Mar. 26	Apr. 5	Apr. 6	Apr. 18

* "New time" dealings may take place from 9.30 am two business days earlier.

Confidence which had faltered in equity markets on Tuesday through the unexpected extent of that day's reaction was fully restored yesterday thanks to a mid-morning burst of revived institutional demand for both leading and lesser shares. Although most of the business occurred before midday, the beneficial effect it had on sentiment was sustained for most of the session.

With Tuesday's after-hours weakness imparting caution at the opening yesterday, most equity sections started uncertainly and looked tentatively to the Gilt-edged sector for a guide. The fall in Gilts at the outset was not as severe as the late overnight trend had suggested and leading industrials began to edge forward in places with some secondary issues following.

Institutional investors then made their presence felt in seeking lines of stock which, despite the profit-taking and reported selling of the previous day, were just not available. This put prices firmly on the uptrend and although interest eventually faded the enhanced level was being well maintained up to the official close.

But reports began to filter through later of Mr. Chapple's warning that the country's industrial troubles are likely to get worse before the end of the present round of pay bargaining and this led dealers to mark values lower with the result that the F.T. 30-share Index, 6.7 up at 2 pm, had its gain reduced to 3.3 at the close of 509.9.

British Funds recovered from the initial markdown only to react again after the official close. Both ends of the market remained volatile ahead of possible replacement tap stock announcements tomorrow but buyers, after holding off for the first hour or so, had set a rally in motion. This saw losses of a full point halved prior to the after-hours' setback which left quotations at the day's lowest with falls again extending to a point. It was widely thought that Minimum Lending Rate would remain at 13 per cent today, despite money market indications of a lower level.

Rates for investment currency reacted on institutional and other selling which brought a day's low point of 76¼ per cent in the premium before a late rally to 77¼ per cent for a further net fall of 2¼ points. Yesterday's S.E. conversion factor was 0.7171 (0.7007).

Press suggestions of a counter-bid from Comet Radiovision prompted a further speculative flurry in **Caledonian Holdings** which gained 8 to 170p; rival bidders **London and Midland Industrials** firmed 3 to 119p.

Merchant banks good

Merchant banks attracted considerable support yesterday and closed firmer throughout. **Hill Samuel Warrants**, which have less than 12 months to run, were particularly prominent and changed hands at 275p before closing 150 up for a two-day jump of 173 at 250p on the conversion rights; the ordinary closed 6 to the good at 101p, after 102p. Buying in a restricted market left **Leopold Joseph** 12 higher at 182p, while **Arbuthnot Latham** added 10 to 170p on the announcement that Mr. Graham Ferguson Lacey has acquired a 6.24 per cent stake. **Guinness Peat** put on 6 to 112p and **Schroders** firmed 25 to 465p. Comment on the results helped **Kleinwort Benson** edge forward 2 to 122p. The major clearing banks recovered from the previous day's bout of profit-taking and closed with fresh improvements of 8.

Insurances plotted an irregular course in moderate trading. **Britannic** cheapened 4 to 178p on the disappointing results, but **Trade Indemnity** rose 15 to 195p in response to the increased annual earnings.

Trading in the Brewery leaders was reasonably brisk. A few pence dearer initially, prices tended easier in the late dealings and final quotations were little altered on balance. The preliminary results from **Invergordon** were in line with expectations, but profit-taking after the statement prompted a reaction 3 to 193p.

After a cautious start, certain Building issues moved ahead on renewed investment demand. In thin markets, **Wilson (Connolly)** rose 7 for a two-day gain of 13 to 167p and **James Latham** also added 7, to 150. **Barrett Developments** attracted fresh support at the outset and firmed 3 to 124p, but **Magnet and Southerns** encountered profit-taking and eased 3 to 170p.

Up 25 on Tuesday on the news that discussions are in progress with FMC Corporation that may lead to an offer for the company, **Alginate** added 5 more to 340p. *ICI touched 40p before drifting* back to close just a penny up on balance at 395p, while **Fisons**, steady for most of the session, ran into late selling and ended 6 down at 317p.

Raybeck wanted

Firm Stores were featured by **Raybeck** which improved steadily on investment buying to close 7 better at a 1978-79 high of 116p. **Gussies A** added 4 to 380p as did **House of Fraser** to 163p. Elsewhere, **MFI Furniture** rebounded after the previous day's reaction of 35 on profit-taking and closed 25 to the good at 380p. After going ex-the 400 per cent scrip-issue on Monday, **Status Discount** remained in demand at 85p, up 5. **James Walker**, on the other hand, softened a penny to 138p and the N/V 2 to 119p following the interim results. Among Shoes, **George Oliver A**, 70p, and **Stylo**, 98p, gained 4 and 5 respectively.

Conditions in the Electrical sector were fairly quiet and final quotations presented a mixed appearance. **Petbow** featured with a rise of 12 to 102p in response to a revival of speculative demand. **George H. Scholes**, a poor market recently on the figures, rallied 17 to 308p in a restricted market. **Racal** rose to 442p before settling at 439p for a rise of 9, but **Wholesale Fittings** came on offer and shed 9 to 300p, while **Eurotherm** gave up 5 to 315p. Among the leaders, **GEC** ended a few pence dearer at 379p.

John Brown provided the main feature in the Engineering leaders, closing at the day's best of 494p, up 18, on some fairly persistent demand. **Vickers** improved to 189p before settling at 186p, only a penny higher on balance, while **Tubes** closed 4 to the good at 392p, after 394p. Elsewhere, **Matthew Hall** responded to an investment recommendation with a gain of 5 at 265p, while renewed support lifted **Yarrow** 7 more to 372p. Demand was also forthcoming for **600 Group** which improved 6 to 100p and **R. Cartwright**, 3 firmer at 55p. Awaiting today's interim results, **Wolseley-Hughes** traded firmly and put on 4 to 258p. **Jones and Shipman** advanced 8 to 172p late on the preliminary results. On the other hand, **Williams and James**, a recent high-flier, reacted 10 to 180p, while **Bullough**, 246p, and **Braithwaite**, 92p, reacted 4 and 5 respectively.

Special situations dominated an otherwise quietly mixed Food sector. Revived bid rumours prompted considerable speculative interest in **Robertson** which touched 166p before easing back *to close a net 6 up at 158p, while* demand of a similar nature lifted **Lennons** 5 to 42p. **United Biscuits**, 84p, recouped nearly all of the previous day's fall of 5 that followed the chairman's warning about the implications of the road haulage dispute, while **J. Bibby**, at 330p, recovered 5 of the previous day's fall of 10 which followed the results.

In Hotels and Caterers, interest was shown in **Trust Houses Forte** which hardened 2 to 315p ahead of the 100 per cent scrip issue due next month.

BTR pleases

Following Tuesday's reaction on profit-taking, miscellaneous Industrial leaders returned to firmer levels as buyers returned. **Glaxo** closed 6 to the good at 556p, after 558p, and **Beecham** ended 5 up at 685p, after 690p. **Metal Box**, however, softened 2 to 326p, unsettled by the company's disclosure that it intends to close its plastic film factory in Portsmouth. **BTR** stood out with a jump of 24 to 407p in response to the sharp increase in annual earnings and proposed 50 per cent scrip-issue. News of the company's asset revaluation prompted a rise of 16 to 138p in recent speculative favourite **Jacksons Bourne End** and, **Pentos** added 10 to 159p following comment on the recent results and capital proposals; the 15 per cent Convertible 1985 added 16 points to £240. Buyers came for **Sutcliffe Speakman** which rose 9 to 48p, while **Gibbons Dudley** improved a similar amount to 89p and **Watshams** put on 18 to 343p. **Myson** appreciated 4½ to 63½p, but **Barlow Rand** declined 10 to 270p and **Broken Hill Proprietary** cheapened 15 to 875p.

Barr and Wallace Arnold A firmed 3 to 143p helped by talk that the company may attempt the Pentos capitalisation proposals.

Motors and Distributors displayed narrow mixed movements following a reasonable trade. **Wilmot Breeden** firmed 1½ to 100½p pending the outcome of the discussions with Rockwell Corporation.

Properties passed a much quieter session than of late and closed narrowly mixed. **Land Securities**, 283p, and **MEPC**, 177p, held small gains, but profit-taking clipped 4 from **Great Portland Estates** at 270p and 6 from **Haslemere** at 280p. **Stock Conversion** attracted more interest than most and firmed 8 to 338p, while speculative attention was directed towards **Scottish Metropolitan** which ended 4 to the good at 136p, after 139p. Elsewhere, fresh demand lifted **Estates and Agency** 6 to 82p and **Bradford** 13 to 385p, but, awaiting today's annual results, **Second City** eased 2 to 55p.

Oils drift lower

Conditions in the Oil market were fairly quiet. **British Petroleum** gave up 10 to 1098p mainly on *U.S. influences*; the preliminary results are due today. **Shell** fluctuated narrowly before closing a few pence off at 694p, while **Royal Dutch** gave up a point to £45½ in sympathy with the dollar premium. Among secondary issues, a little nervous selling in front of today's annual results left **Tricentrol** 4 lower at 188p.

The Chairman's optimistic remarks at the annual general meeting helped **S. and W. Berisford** rise 12 to 207p in Overseas Traders. **Lonrho**, however, cheapened 2 to 72p on further consideration of the bid denial from Gulf Fisheries.

Small losses predominated in Trusts, but **Camellia** continued firmly at 380p, up 5, ahead of tomorrow's preliminary results. Among Financials, revived demand left **Robert Kitchen Taylor** 15 higher at 200p. On the other hand, **Hampton Trust** gave up 1¼ to 15¾p. It was announced yesterday that 150,000 of the company's ordinary shares had been sold at an average price of 17p on behalf of Angloped Investments.

Shippings were inclined easier, with **P & O** closing a shade off at 73p and **Ocean Transport** 1¼ lower at 99½p.

Occasional support was again forthcoming for selected Textiles, with **Lister** moving up 6 more to 69p and **Bond Street Fabrics** advancing another 2½ to 42½p. Satisfactory annual results lifted **Montfort** 3½ to 65p.

Golds lose ground

The major influence in the weakness of overseas-registered mining issues was a decline in the investment currency premium. Interest in South African Golds was minimal and the 3.5 fall in the Gold Mines index to 166.5 purely reflected the lower premium, a fact borne out by the marginal 0.4 rise in the ex-premium index to 119.4.

Heavyweight golds registered losses of up to a point as in **Randfontein**, £30½, while falls of around a half-point were common to **Hartebeest**, £13¾, **West Driefontein**, £21¾ and **Western Holdings**, £18.

South African Financials mirrored golds although **Anglo-Vaal**, unchanged at £11¾, and **General Mining** 3 cheaper at 472p, held up well on further consideration of the good results.

De Beers came under pressure from London and overseas selling which, together with the fall in the premium, left the shares 23 off at 442p. **Anglo American** dropped 16 to 357p and **Union Corporation** 11 to 358p.

Elsewhere in South Africans **Afrikander Lease** featured with the shares advancing to 287p prior to suspension, compared with 250p overnight, in anticipation of a deal with Vaal Reefs, which were trading around £16¼ before suspension.

Australians fell away after a firm opening reflecting the lower premium. Losses of 4 were common to **Bougainville** and **Oakbridge** at 145p and 115p respectively.

On the other hand, renewed speculative buying lifted **Metals Exploration** 3 to a 1978-9 high of 52p and **Haoma Gold** and **Pacific Copper** like amounts to 41p and 115p, respectively.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12
Mar. 20	Apr. 2	Jne. 14	Jne. 26

For rate indications see end of Share Information Service

Stocks to attract money for the call included **Hunting Petroleum, Wm. Press, Premier Consolidated, EMI, Lofs, United Builders Merchants, Royco, R. Costain, Lonrho, P and O Deferred, Grand Metropolitan, Ultramar, MFI Furniture, Burton "A", Audiotronic, Amalgamated Power, Land Securities, Marling Industries, Maples** and **P. C. Henderson "A"**. **Shell Transport** were dealt in for the put, while double options were arranged in **Hunting Petroleum, NatWest Warrants, EMI** and **Burmah Oil**.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	69	12
Corpns. Dom. & Foreign Bonds	3	22	39
Industrials	340	416	765
Financial & Prop.	107	170	231
Oils	5	14	19
Plantations	7	7	18
Mines	5	80	55
Recent Issues	5	8	18
Totals	473	786	1,157

FINANCIAL TIMES STOCK INDICES

—	March 14	March 13	March 12	March 9	March 8	March 7	A year ago
Government Secs.	72.29	72.64	72.83	73.00	73.10	71.60	75.96
Fixed Interest	72.66	72.68	72.79	73.03	73.09	72.01	78.42
Industrial	509.9	506.6	512.8	515.4	500.5	496.9	453.9
Gold Mines	165.5	170.0	170.4	163.9	161.7	160.0	161.1
Gold Mines(Ex-$ pm)	119.4	119.1	119.9	115.4	115.0	114.0	111.5
Ord. Div. Yield	5.46	5.52	5.40	5.44	5.61	5.66	5.96
Earnings, Y'ld % (full)	14.22	14.32	14.01	14.10	14.54	14.69	17.52
P/E Ratio (net) (*)	9.15	9.09	9.29	9.23	8.95	8.86	8.00
Dealings marked	8,261	8,951	8,950	7,503	7,300	6,729	5,563
Equity turnover £m.	—	174.10	176.01	214.18	150.00	156.22	71.90
Equity bargains total	—	33,608	32,207	32,271	23,715	27,872	14,956

10 am 506.3. 11 am 511.6. Noon 513.1. 1 pm 513.1. 2 pm 513.3. 3 pm 512.5.
Latest Index 01-248 8026.
*Nil=8.87.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (3/1/78)	64.64 (6/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.77 (12/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	124.1 (28/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (18/4/78)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	March 14	March 13
—Daily		
Gilt Edged	132.0	123.8
Industrials	319.0	350.0
Speculative	50.9	45.3
Totals	188.0	204.0
5-d'y Av'r'ge		
Gilt Edged	131.8	134.7
Industrials	317.3	302.4
Speculative	44.9	43.5
Totals	185.6	176.6

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (140)

FOREIGN BONDS (1)
CANADIANS (1)
BANKS (5)
BEERS (2)
BUILDINGS (6)
CHEMICALS (2)
DRAPERY & STORES (14)
ELECTRICALS (8)
ENGINEERING (20)
FOODS (2)
INDUSTRIALS (29)
INSURANCE (2)
LEISURE (1)
MOTORS (3)
NEWSPAPERS (1)
PAPER & PRINTING (4)
PROPERTY (7)
SHIPPING (1)
SHOES (1)
TEXTILES (1)
TRUSTS (20)
OILS (1)
OVERSEAS TRADERS (1)
RUBBERS (1)
TEAS (2)
MINES (2)

NEW LOWS (1)

SHIPPING (1)
Ocean Transport

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	16	1,098	−10	1,130	720
ICI	£1	15	395	+1	421	328
GUS A	25p	14	380	+4	380	256
Barclays Bank	£1	13	428	+8	438	296
Marks & Spencer	25p	13	101	+1	104	67¼
Beecham	25p	12	685	+5	726	581
Burmah Oil	£1	12	103	+1	105	42
GEC	25p	12	379	+3	385	233
Lloyds Bank	£1	12	318	+8	328	242
Shell Transport	25p	12	694	−2	703	484
De Beers Defd.	R0.05	11	442	−23	488	285
Grand Met.	50p	11	142	+2	145	87
Royal Insurance	25p	11	420	—	425	335
Boots	25p	10	221	+3	237	184
EMI	50p	9	123	+1	190	115

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the F.T. Actuaries Share Indices. It also contains the Gold Mines Index.

Mining Finance	+28.39	Industrial Group	+13.95
Tobaccos	+23.57	Electricals	+13.88
Overseas Traders	+23.48	Packaging and Paper	+13.72
Property	+23.07	Engineering Contractors	+12.30
Oils	+22.83	Other Groups	+12.00
Wines and Spirits	+22.80	Consumer Goods (Durable) Group	+11.83
Food Retailing	+22.74	Breweries	+11.54
Stores	+21.14	Capital Goods Group	+11.53
Gold Mines F.T.	+20.14	Chemicals	+10.74
Entertainment and Catering	+17.90	Hire Purchase	+10.71
Electronics, Radio and TV	+17.54	Food Manufacturing	+10.44
Merchant Banks	+17.00	Pharmaceutical Products	+10.44
Consumer Goods (Non-Durable) Group	+16.91	Contracting and Construction	+ 9.05
Financial Group	+16.27	Insurance Brokers	+ 8.81
Insurance (Composite)	+16.10	Mechanical Engineering	+ 8.47
All-Share Index	+15.92	Metal and Metal Forming	+ 8.15
Building Materials	+15.77	Shipping	+ 5.11
Banks	+15.74	Motors and Distributors	+ 4.04
Investment Trusts	+15.50	Textiles	+ 3.21
Newspapers and Publishing	+15.40	Toys and Games	+ 0.87
500 Share Index	+15.34	Household Goods	+ 0.43
Discount Houses	+15.28		
Office Equipment	+14.37		
Insurance (Life)	+14.08		

† Percentage changes based on Tuesday, March 13, 1979 indices.

LONDON TRADED OPTIONS

Option	Ex'r'cise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	1000	108	7	144	1	158	—	1110p
BP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	168p
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	210p
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	118p
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	380p
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	143p
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	397p
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	283p
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	101p
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	695p
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Totals			[illegible]		[illegible]		[illegible]	
		May		August		November		
BOC Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	75p
BOC Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	222p
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	124p
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Imperial Gp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	103p
Imperial Gp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	308p
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Totals			[illegible]		[illegible]		[illegible]	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or –	Div.	Times Covered	Gross Yield	P/E Ratio
65	F.P.	20/2	170	66	Caledonian Hldgs.	170	+8	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	16/2	152	118	Hunting Assoc. Defd.	152	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	M.Y. Dart Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	117	97	Sedgwick F. New 10p	112	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or –
[illegible]	F.P.	[illegible]	86p	55p	Chepstow Race's 5% Cnv. Uns. Ln. 1988	86p	[illegible]
£10	[illegible]	[illegible]	[illegible]	[illegible]	Lee Valley Water 8% Red. Prf. 1986	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid-Southern Water 8% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	101p	95p	Shaw Carpets 10% 2nd Cum. Pref. £1	101p	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+ or –
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Algemene Bank Nederland	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Baker Perkins	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Bank of Nova Scotia	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Brammer (H.)	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Burco Dean	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cement-Roadstone	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Haslemere Estates	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Hawkins & Tipson	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Hirst & Mallinson	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Johnson Matthey	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Macpherson (D.)	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Montfort	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rank Org.	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Redman Heenan	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sekers Intl.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Taylor Woodrow	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Weds., March 14, 1979: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., Mar. 13 Index No.	Mon., Mar. 12 Index No.	Fri., Mar. 9 Index No.	Thurs., Mar. 8 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (172)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (75)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (40)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (115)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (111)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Weds., Mar. 14	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	105.94	−0.34	—	1.87
2 5-15 years	111.81	−0.46	—	1.31
3 Over 15 years	122.75	−0.47	—	2.36
4 Irredeemables	133.63	−0.72	—	1.78
5 All stocks	114.77	−0.42	—	1.91

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

		Weds., Mar. 14	Tues., Mar. 13	Year ago (approx.)
1 Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]

	Wed., March 14 Index No.	Wed., March 14 Yield %	Tues. Mar. 13	Mon. Mar. 12	Fri. Mar. 9	Thurs. Mar. 8	Wed. Mar. 7	Tue. Mar. 6	Fri. Mar. 2	Year ago (approx.)
15 20-yr. Red. Deb & Loans (15)	54.67	13.56	54.68	54.68	54.63	54.67	54.21	53.86	53.84	61.00
16 Investment Trust Prefs. (15)	50.44	13.95	50.39	50.30	50.16	50.16	49.89	49.89	49.88	56.50
17 Coml. and Indl. Prefs. (20)	71.06	13.14	70.77	70.77	70.76	70.59	69.93	69.90	69.78	75.83

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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Over Fifteen Years

Undated

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COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

[illegible]

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	.....	—	—
41	33	Do. 5pc Pref......	40	.....	—	—
98	98	Chilean Mixed.....	98	.....	—	£3.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 39⅝% (based on US$2.0997 per £)
Conversion factor 0.7171 (0.7007)

CANADIANS

S.E. List Premium 39⅝% (based on $2.3965 per £)

BANKS AND HIRE PURCHASE

1978-79 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's	P/E
83½	58	F. C. Finance....	70	.....	†2.03	2.6	4.3	13.4
8¼	1¼	First Nat. 10p...	7¼	.....	—	—	—	0.5
3	½	Do. Wrrts. 75-83	2¼	.....	—	—	—	—
16	9½	Fraser Ans. 10p	15¾	.....	—	—	—	—
222	157	Gerrard Natnl....	222	.....	†9.12	—	6.1	—
62	37	Gibbs (A.)........	60	.....	2.23	—	5.5	—
255	195	Gillett Bros. £1	243	.....	16.95	—	10.4	—
29	19	Goode D'l Mry.5p	26xd	.....	0.25	—	1.4	—
142	96	Grindlays........	128xd	-1	3.07	7.5	3.6	4.0
130	93	Guinness Peat ..	112	+6	H5.67	—	7.6	—
217	155	Hambros	216	+4	†9.76	—	6.7	—
102	78	Hill Samuel......	101	+6	†4.97	—	7.4	—
600	40	Do. Warrants...	250	+150	—	—	—	—

BANKS & HP—Continued

Hire Purchase, etc.

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TEAS

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Sri Lanka

Africa

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CENTRAL RAND

EASTERN RAND

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O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex	13	......	—	—	—
171	64	Bougainville 50 Toea	145	−4	Q15c	1.4	6.4
140	63	BH South 50c	128	......	—	—	—
820	150	Central Pacific	525	......	—	—	—
336	148	Conzinc Riotinto 50c.	304	......	§Q10c	♦	2.0
35	19	Cultus Pacific N.L.	32	......	—	—	—
27	9½	Endeavour 20c	18½	......	—	—	—
98	45	G.M. Kalgoorlie $1	87	−1	—	—	—
68	18	Haoma Gold N.L.	41	+3	—	—	—
167	81	Hamptn Areas 5p.	167	......	♦t3.55	2.0	3.2
52	10	Metals Ex. 50c	52	+3	—	—	—
275	125	M.I.M. Hldgs. 50c	250	......	†Q9c	1.7	2.1
22	10	Minefields Expl.	15	......	—	—	—
74	10	Mount Lyell 25c	65	......	—	—	—
43¾	11¾	Newmetal 20c	20	......	—	—	—
143	79	North B. Hill 50c	128	−2	Q8c	1.3	3.5
22	8½	Nth. Kalgurli	19	......	—	—	—
50	12	Nth. West Mining	37	+2	—	—	—
178	115	Oakbridge $A1	115	−4	Q12c	1.9	6.0
42	10	Otter N. L.	34	......	—	—	—
121	30	Pacific Copper	115	+3	—	—	—
£15½	725	Pancont'l 25c	£10	[illegible]	[illegible]	[illegible]	[illegible]

TINS

COPPER

MISCELLANEOUS

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$15¼	$10¼	Buffels R1	$12¾	......	Q190c	♦	17.9
$11¾	830c	East Drie R1	$10½	+⅛	Q115c	♦	12.6
585c	330c	East Rand Prp. R1	430	......	Q10c	—	—
$28⅞	$16½	F.S. Geduld 50c	$22⅛	+⅛	Q315c	2.4	16.4
$15⅛	975c	Pres. Brand 50c	$14⅛	+⅛	Q150c	3.2	12.2
$14¾	900c	St. Helena R1	$14	......	Q190c	1.4	15.6
575c	313c	Stilfontein 50c	570c	......	Q66c	2.3	13.4
$23⅞	$16¼	Vaal Reefs 50c	$23½	......	Q280c	♦	13.7
$37	$25	West Drie R1	$32	−⅛	†Q385c	1.7	13.8
$31¼	$19	West Hldgs. 50c	$26⅛	......	Q415c	1.4	18.1
$13	895c	Western Deep R2	$11½	......	Q147½c	2.4	14.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ll No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 40

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26½	......
Ash Spinning	107	......
Bertam	26	......
Bdg'wtr. Est. 50p	360	......
Clover Croft	28	......
Craig & Rose £1	810	......
Dyson (R. A.) A	35	......
Ellis & McHdy	69	......
Evered	26	......
Fife Forge	52xd	......
Finlay Pkg. 5p	20½	......
Graig Ship. £1	135	+5
Higsons Brew	77	+2
Holt (Jos) 25p	278	......
I.O.M. Stm. £1	178xc	−2
Pearce (C. H.)	203	......
Peel Mills	26	......
Sheff. Refrshmt	74	......
Sindall (Wm.)	120	......

IRISH

Conv. 9% '80/82	£90⅞	−¼
Alliance Gas	110	−1
Arnott	400	......
Carroll (P.J.)	110	......
Clondalkin	96	+1
Concrete Prods.	135	......
Helton (Hldgs.)	63	......
Ins. Corp.	180	......
Irish Ropes	105	......
Jacob	43	+1
T.M.G.	225	......
Unidare	85	−1

OPTIONS
3-month Call Rates

Industrials	
A. Brew	6½
BOC Intl.	6
B.S.R.	8
Babcock	11
Barclays Bank	25
Beecham	32
Blue Circle	18
Boots	15
Bowaters	14
B.A.T.	24
Brown (J.)	33
Burton 'A'	16
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	5
Eagle Star	10
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	7½
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	40
Inveresk	7
KCA	3
Ladbroke	14
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	6
Lonrho	5
Lucas Inds.	25
"Mams"	12
Mrks. & Spncr	7
Midland Bank	25
N.E.I.	12
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	7
Plessey	8
R.H.M.	5
Rank Org.	18
Reed Intnl.	12
Spillers	3½
Tesco	4
Thorn	22
Trust Houses	£18
Tube Invest.	30
Unilever	35
U.D.T.	4
Utd. Drapery	7½
Vickers	15
Woolworths	5
Property	
Brit. Land	3¼
Cap. Counties	4½
E.P.	3½
Intreuropean	5
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼
Oils	
Brit. Petroleum	45
Burmah Oil	8
Charterhall	2½
Shell	28
Ultramar	16
Mines	
Charter Cons.	12
Cons. Gold	12
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday March 15 1979

UK accused of Europe budget default

BY GILES MERRITT IN BRUSSELS

BRITAIN, France and Denmark are to be taken before the European Court for their refusal to contribute to the Community's 1979 Budget at the rate required by the European Parliament.

The Brussels Commission is preparing formal notifications to the three defaulting governments, requiring an answer within one month. They will be sent before the end of this week. Continued defiance by the governments would probably result in the affair reaching the European Court in early summer.

The UK, French and Danish stand revolves around the central issue of the European Parliament's powers. It is part of a heated constitutional wrangle between the European Parliament and the Council of Ministers over budgetary authority which now looks certain to intensify with the run-up to the first direct elections to the Parliament.

The Commission's decision to begin the legal proceedings, as laid down in Article 169 of the Rome Treaty, is explained in Brussels as a result of its obligation to enforce the treaty. But it also follows a lengthy discussion here last week between the EEC Foreign Ministers' council and a delegation from the European Parliament's Budget Committee.

The European representatives are understood to have indicated that, for a compromise supplementary budget to be negotiated, the original budget would have to be approved without reservation by all member governments.

Since the budget row broke at the end of last year, the Commission has been placed in the uncomfortable position of refereeing between the Parliament and the Council of Ministers. The dispute concerns the Parliament's insistence on using a procedural loophole to demand that £325m be added to the 1979 EEC Regional Fund.

It overruled the Council's opposition, and the Commission was subsequently forced to recognise the validity of the Parliament's budget.

In early February, when member States were due to begin paying into the budget at the agreed rates for 1979, only six Governments of the nine contributed in the amounts dictated by the Parliament. At the beginning of this month, the three defaulting Governments continued to subscribe only at the budget levels fixed by the Council of Ministers.

Speculation

Under the procedure detailed in the Treaty of Rome, the Commission is due in mid-April to follow its formal notification of infringement with the sending to the three governments of a full statement of its *prima facie* case against them. Unless settlement is reached after that, the matter will be referred to the European Court in Luxembourg.

Speculation now surrounds the timing of the Commission's move. Negotiations have been under way for several weeks over a compromise budget that would be acceptable to France, and it has been suggested that the opening of legal proceedings is intended to push the defaulting governments into speedy settlement.

But there are fears that the Commission's initiative could harden resistance in advance of the March 22 ministerial meeting of the EEC Budget Council.

Breach of 5% rule 'not pay explosion'

By Peter Riddell, Economics Correspondent

OFFICIAL FIGURES suggest that there is no evidence of a pay explosion, although settlements appear to be well above the level of increases allowed under the Government's original 5 per cent guidelines.

The picture is, however, distorted by the large number of workers who have yet to settle and by the recent spate of strikes.

In January the lorry drivers' strike caused lay-offs and production cutbacks and this coupled with the bad winter weather, meant less overtime and more short-time working.

The result was that the index of average earnings for the *whole economy fell* by 1.7 per cent between December and January to 135.7 (January 1976 =100, not seasonally adjusted) bringing the rise over the last 12 months to 1.7 per cent.

The older index for production and some service industries, which is seasonally adjusted, declined by 1.9 per cent in January to 344.4 *(January 1970=100), where it* was 12.5 per cent higher than a year ago.

These distortions have meant that after six months of the current pay round the whole economy earnings index has increased by only 1.6 per cent while the older index has risen by 3.5 per cent.

Whitehall officials point to the comment in this month's Treasury Economic Progress Report — that monitoring evidence suggests that settlements have averaged about 11 per cent, including the cost of self-financing productivity and other permitted exceptions to the pay guidelines.

This is broadly in line with the evidence of the Confederation of British Industry's data bank.

Many economists believe that the rise in average earnings over the current round will probably be no higher than the 14½ per cent increase of 1977-78. The difference is that the main pressure is now in the public rather than the private sector.

The Department of Employment said yesterday that by January only 1.6m workers in major groups had settled new pay deals compared with 2.3m a year earlier.

The latest estimate is that 3.5m workers have settled—the rise is mainly explained by the local authority manual and water supply workers' agreements.

But only 40 per cent of private sector employees and 20 per cent of those in the public sector have so far settled.

John Elliott writes: CBI leaders last night called on the Government to publish a Green Paper on pay policy before the start of the next wage round.

During talks with Mr. Denis Healey, Chancellor of the Exchequer, they said this should cover the Government's assessment of how the level of inflation could be reduced to under 5 per cent by 1982. It should also include guidance on details of the next pay round, and wider proposals for pay bargaining reform. But there should not be a pay norm.

Bank call to cut public spending

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CUTS IN PUBLIC spending to reduce the need for tax increases and to contain public sector borrowing are called for this morning by the Bank of England in its latest quarterly bulletin.

The Bank warns that the deterioration in inflation prospects in recent months means that a firm stance in fiscal and *monetary policies is all the* more necessary, although monetary control alone will be insufficient to prevent wage rises working through to higher prices.

The bulletin says that "to accommodate inflation now by relaxing the thrust of monetary policy would be a signal that reduced priority was being given to containing inflation." The implication is that the target for the growth of sterling M3, the broadly-defined money supply, should be no higher than the present 8 to 12 per cent range.

In addition, fiscal policy should be "particularly cautious." The Bank stresses that higher costs incurred by public corporations should not be reflected in higher borrowing. This means that nationalised industries should respond to higher wages by increasing their prices promptly.

Tax burden

The bulletin also points to the possible trimming of expenditure programmes through the operation of cash limits, but adds that, "given both the need to contain the size of the Public Sector Borrowing Requirement and to reduce the necessity for adding to the tax burden, there appears to be a clear case for containing more strictly the rise in public spending."

The suggestion that the planned rise in spending should be cut back will receive a distinctly mixed reception at Westminster and in Whitehall. There are signs that Ministers are hoping to avoid a large overt package of cuts by a back-door squeeze through cash limits.

The bulletin renews the call made by Mr. Gordon Richardson, Governor of the Bank of England, that recent disputes "point clearly to the need for changes in the present methods of wage negotiation." This reflects more a desire for a review of the position of trades unions and their members than a desire to improve incomes policies.

Growth rate

The bulletin also includes a *warning that unless the UK's* industrial decline is arrested, the current very slow growth might later be followed even by "declines in real living standards, if present trends continue."

These comments are set against projections that the 12-month rate of retail price inflation may reach double figures *by the summer, although the* acceleration should remain "moderate."

But a higher rate of inflation is likely to dampen down activity and total output may grow by no more than 2 per cent over the next 12 months, compared with the 3 per cent rate of expansion expected in the last bulletin in December. This is slightly more pessimistic than most major private sector forecasts.

The result is that unemployment is quite likely to begin to rise later this year, although, on the other hand, the increase in earnings may still mean a 4 to 5 per cent increase in living standards against 1978, this year.

Details, Page 10; Euro-markets defended, Page 30

THE LEX COLUMN

Projecting BL's cash needs

Index rose 3.3 to 509.9

With the three-month *Treasury bill* rate down to under 11 per cent, posing the question for the Bank of England of whether MLR should again be adjusted downwards, the pressure has come right off interest rates. Yet the reasons for the Bank's caution about too rapid a fall are apparent in its latest Quarterly Bulletin, where the warning is that excessively rapid growth in money incomes "will exact a price in terms of higher interest rates than would otherwise have been necessary." A tough fiscal stance is called for, ahead of the acceleration of inflation into double figures which yesterday showed up in the Price Commission's early warning six-month index.

BL

BL is still gobbling up cash, but is so far keeping within the financial guidelines agreed with the Government. Its pre-interest *return on gross assets of about* £1.2bn amounted to only a little over 6 per cent in 1978, and pre-tax margins on sales of over £3bn were virtually non-existent. Despite this, it is having to spend heavily on reconstruction — redundancies cost £15.3m last year and there was also an extraordinary debit of £24.7m. And although *working capital needs have been held* in check, BL is having to make substantial investments in fixed assets. Net capital spending in 1978 totalled around £220m, whereas operating cash flow was only about £50m.

With luck, its cash flow could be usefully higher this year. Smoother production runs would obviously be a very big help, since trading profits in 1978 would have been more than £50m higher if BL had been able to avoid production upsets. In addition, the depreciation charge is rising fast, and finance costs will benefit from last year's £450m equity injection and the new arrangements for financing distributors' stocks.

But BL will still be leaning heavily on taxpayers' finance in 1979. Under the plan, it has a further £375m of Government funds to draw down by 1981.

The crucial years on the financial front will be 1980 and 1981, when BL's operating cash flow will have to rise to, say, £300m a year or more if it is to reach its targets. This will require a major improvement in productivity and profit margins, which BL hopes to secure by its reformed pay structure and by the progressive impact of new products.

BL, at any rate, thinks it can be done. Meanwhile its finances are in a better state than they have been for years, thanks entirely to the decision to provide Government finance in the form of equity rather than debt. A measure of this strength is seen in its new medium term loans from the private sector. The clearers, heavily committed *with short term funds, have not* participated, but BL has managed to pick up seven-year money at an average of 1 per cent over LIBOR—which would not have been possible a year or so ago.

GEC

The puzzle about GEC's £50m issue of Eurosterling bonds is that a group which is already awash with spare sterling should wish to borrow even more in order to finance overseas purchases—notably in North America where GEC has already spent the closely similar sum of $100m on A. B. Dick. Is this not flying in the face of all the theories about currency matching of assets and liabilities?

Part of the answer is that GEC sees the current issue as only one element of a larger package for obtaining foreign currency. Another explanation is that the group, which is of course highly liquid, does not wish to borrow for an indefinite period to finance overseas operations. It is therefore concerned with the circumstances in which it could repay the debt (the current loan has an average life of about eight years) and it is much easier to plan for the repayment of a sterling liability than for a debt denominated in, say, dollars where the currency fluctuation cannot be forecast. Moreover the extra coupon cost *of sterling debt,* compared with foreign currency alternatives, can effectively be matched against the returns being obtained on its domestic sterling investments.

All this might count for little if the Eurosterling loan has to be repaid out of external sterling. But the exchange control *regulations state that* external debt can be repaid out of domestic resources if the borrower can show that there have been "matching benefits" to the UK balance of payments from the overseas investment. So long as GEC can satisfy the Bank of England that the flow of dividends, royalties, export business and the like during the next 10 years is adequate, then in effect it will be able to pay for its overseas purchases out of its sterling resources in the UK. Which is what, in a logical system, it would have been able to do in the first place without all the fuss.

BTR

BTR's constellation of unglamorous but *formidably* efficient businesses has had another year of rapid growth. Pre-tax profits rose from £29.7m to a 1978 figure of £42.5m, with *acquisitions* accounting for some £5½m of the increase. Without the acquisitions, pre-tax margins rose for the eighth successive year.

This year the new members of the group should contribute more effectively. In Britain Allied Polymer, much less profitable than BTR as a whole, should be showing better returns. *And a great deal is* expected from BTR's 15 plants in the U.S., a strong manufacturing base from which to push for higher market share.

Shareholders' funds, boosted by an £18.2m fixed asset revaluation on top of last September's rights issue, rose to around £135m from £81m in 1978 and the group's gearing is lower than for some time, with net debt representing less than 20 per cent of capital employed. As BTR is able at present to finance organic expansion from *the cash it generates internally* the strong balance sheet leaves it very well placed to pursue further acquisitions, most likely in North America.

The re-rating of the shares, which have risen more than 120 per cent in a year to yesterday's price of 407p, takes these ambitious plans into account. The historic fully-taxed p/e is 13.7; for 1979, BTR should make well over £50m pre-tax, which gives a prospective figure of around 12 on the increased capital. This does not leave *much room for mistakes,* but then BTR has always had the knack of exceeding market expectations.

Continued from Page 1

Callaghan claims summit success

the costs involved could not be justified.

Far from being isolated in the Community, Mr. Callaghan claimed, there was now more agreement on Britain's nalysis of the situation and the need to re-order priorities than he had ever known.

Immediately after his statement Mrs. Tatcher demanded that the Premier drop his "abrasive and critical attitude" in Market negotiations, and behave "more genuinely" as a Community partner.

It was a remark that had Labour MPs chering in amusement and disbelief, while Tories sat looking glum.

They were clearly torn between their desire to support the Common Market and fight Labour critics, and their realisatio that public hastility to the Community would be difficult to overcome.

Mr. Callaghan firmly rejected the Opposition view that it had been a disappointing Summit.

"It was not disappointing to Britain. For the first time, the arguments we have been advancing seem to have gone home."

John Hunt writes from Strasbourg: Mr. Callaghan had used the Paris summit for "naked domestic political propaganda," Mr. Francis Pym, the Shadow Foreign Secretary, said in Strasbourg yesterday.

Mr. Pym, accompanying Tory candidates to the European Parliament on a visit to Strasbourg, said: "The fact is that our partners are no longer prepared to make adjustments when faced with demands from a dying Labour Government."

Five years of "take and no give" had characterised the Labour Government's attitude to Europe, and the British people had suffered for it, said Mr. Pym.

Continued from Page 1

BL 'recovery'

But he revealed that negotiations were to begin shortly to see "if something can be done to recognise productivity increases which have been achieved so far. We could rightly be accused of being extremely rigid if we did not recognise the progress being made."

The group's pre-tax profit, before taking account of provisions for exceptional manpower reductions, rose from £3.1m to £15.3m in 1978.

The cars businesses contributed £20m profit at this level against a £32m loss in 1977. The rest of the group swung into a £5m loss last year, shared about equally between Leyland Vehicles, the truck, bus and *tractor divisions,* and SP Industries, the specialist engineering side.

The two Bathgate truck plant disputes cost sales worth £120m and 9,000 "lost" vehicles. In all disputes cost 11,000 units within Leyland Vehicles last year or 20 per cent of planned production. As a result sales were only slightly ahead, from £409m to £442m.

BL's capital investment totalled £233m in 1978, up from £149m, and will be "slightly higher" this year. Within the overall total, Leyland Vehicles' capital expenditure also rose sharply last year from £28m to £42m.

BL's corporate plan for 1979 has been accepted by the National Enterprise Board, its major shareholder, and will very shortly be considered by the Government.

Mr. Edwardes said it was in line with the previous £1bn long-term plan agreed with the Government. There was £375m still left to be drawn and the BL Board would prefer to have the cash in return for equity.

He would give no indication of how much BL was asking for in 1979 but said it did not expect to have to go back to the private sector

Continued from Page 1

Healey hints

As a result of a Labour backbench amendment to the 1977 Finance Act, personal allowances are indexed to the rate of inflation: but yesterday Mr. Healey appeared to be indicating that he was sympathetic to the idea of a real increase in personal allowances over and above that provided for by amendment. He also encouraged some Left-wingers when he said he was not doctrinally opposed to import controls.

Nevertheless, most speakers wanted a very different Budget to that which Mr. Healey had in mind. But, given the desire of most Labour MPs to avoid an early election at almost any cost, Mr. Healey can probably count on the support of most of the party for his Budget unless he tries to force through anything directly counter to the *Left-wing's* policy of giving priority to the lower paid.

Injunction sought over adverts ban

BY ALAN PIKE, LABOUR CORRESPONDENT

HIGH COURT injunctions are to be sought against two print *unions in an attempt to stop a* national campaign to "black" any company that advertises in the Nottingham Post.

The council of the Newspaper Publishers' Association, which represents Fleet Street managements, met yesterday and decided to seek an injunction against the National Graphical Association (NGA) to prevent the union from interfering with the content of members' newspapers.

At the same time Boots, the chemists, whose advertisements, to have appeared yesterday in The Daily Telegraph and the Daily Mail were "blacked," announced that it was seeking injunctions against the NGA and SLADE, the process workers' union.

Companies that continue to advertise in the Nottingham Post, where the NGA and SLADE are in a dispute dating from 1973 over the introduction of computer typesetting, risk having their material "blacked" in other newspaper offices.

T. Bailey Forman, which produces the Nottingham Post, is the only British newspaper *publisher to have introduced* the system without allowing NGA members to retain exclusive access to it.

The NPA emphasised in a statement that neither it nor its members were involved in the dispute.

Boots, which has head offices in Nottingham and employs 11,500 people in the area, *normally relies on the Nottingham Post* to advertise for staff. Nationally, the company is one of the largest advertisers and would be severely affected by an embargo.

Officials of the NGA were last night taking counsel's advice on the legal implications of the ban.

The NUJ is in dispute with the Nottingham Post over *T. Bailey Forman's refusal to* reinstate journalists in the recent national provincial newspaper strike.

● NGA leaders gave a warning that selective industrial action would begin in British Printing Industries Federation and Newspaper Society offices from March 23 unless a pay offer was improved.

ICI plan to cut 2,000 jobs

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL INDUSTRIES is proposing to cut its organics division workforce of *10,800 by nearly 2,000* over the next two years.

It is thought the brunt of the cuts will fall on jobs at the division's headquarters in Blakely, Manchester, if the proposals go through.

The group said yesterday that the plan was "still very much at the discussion stage," and the proposals were to go before a consultative staff committee next week.

The reason was the division's comparatively poor performance during the past few years. The division covers dyestuffs, pigments, polyurethane chemicals, biocides and speciality chemicals: the company said its dyestuffs and pigments business—a major activity—had been particularly hard hit by over-capacity and weak prices during the past four years.

The proposed cut in jobs was strongly attacked yesterday by the Association of Scientific, Technical and Managerial Staffs, which said the plan "exposed ICI's internal consultative system as a sham." ASTMS added that it would not automatically accept ICI's evidence that the reduction in jobs was necessary. It would demand to see all the information on which the proposal was based, including confidential figures.

ASTMS said it was sure that a less radical solution could be found. "ICI conducts a very careful, well planned, softening up process and then announces *a solution to the difficulty.*"

ICI said the number of people employed by its organics division had been dropping at an annual rate of about 4 per cent since the early 1970s. Its latest proposals would therefore be only an "acceleration" of this trend.

The group added that it had re-affirmed its intention to adhere to its statement on security of employment. This meant there would be no enforced redundancies "except as a last resort." The reduction *would be achieved by natural* wastage and retirement.

News Analysis, Page 8

Tories wary of confidence vote

BY RICHARD EVANS, LOBBY EDITOR

THE SHADOW Cabinet reacted cautiously last night to Scottish National Party moves to try to force a vote of no confidence in the Government because of delay over Scottish devolution.

Conservative leaders have no intention of committing themselves before the Cabinet acts, and that might not be until the week after next.

Ministers will discuss the outcome of the devolution referendums again today, but no statement is expected for several days. *In that time, further consultations* will be held between Government and minority parties as the game of bluff and counter-bluff proceeds.

Scottish nationalist MPs decided that if the Government makes no move after today's Cabinet they will table their own motion of no confidence as a means of exerting pressure for the Order annulling the Scotland Act to be brought forward.

Their hope is that the Order would then be defeated in a Commons vote. But the no confidence motion is certain to be *linked to devolution, and that is* not what the Tories want.

They favour a simple no confidence motion that can attract the support of the nationalists and the Liberals. However, they do not believe that that would succeed for some time.

The Conservative priority is to see the Scotland and Wales Acts killed, and they do not believe they can succeed in defeating the Government until that has happened. There is still every prospect that Mr. Callaghan might be able to delay such a division until after *the Budget and the Easter* recess.

Weather

UK TODAY

OUTBREAKS of rain sleet or snow in most areas. Mostly dry with sunny spells in Wales and South West England.

London, S.E., E. Anglia
Cloudy. Rain, sleet or snow.

Cent. S. England, Midlands.
Scattered wintry showers. Some bright intervals.

Wales, N. England, S.W. England
Mostly dry. Scattered showers over hills.

Ulster, Isle of Man, S.W. Scotland
Sunny spells.

THE REST SCOTLAND
Scattered snow showers. Bright intervals.

● Outlook: Cold generally, with widespread night frost. Wintry showers in most parts.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	17	63	Jo'burg	S	25	77
Algiers	F	20	68	L. Pims.	C	18	64
Amsdm.	C	3	37	Lisbon	F	9	48
Athens	S	17	63	Locarno	C	10	50
Bahrain	C	21	70	London	R	3	37
Barclna.	C	14	57	Luxmbg.	C	7	45
Beirut	F	17	63	Luxor	S	26	79
Belfast	F	6	43	Madrid	C	9	48
Belgrd.	C	1	34	Majorca	C	15	59
Berlin	F	3	37	M'chstr	F	6	43
Biarritz	R	11	52	Malaga	R	13	55
Bmghm.	C	4	39	Melbne.	S	31	89
Blackpl.	F	7	45	Mex. C.	S	21	70
Bordx.	C	10	50	Milan	R	10	50
Boulgn.	R	3	37	Mntreal.	S	3	38
Bristol	R	4	39	Moscow	Sn	2	35
Brussels	R	5	41	Munich	S	14	57
Budpst.	F	15	59	Nairobi	S	25	78
B. Aires	S	23	73	Naples	F	16	61
Cairo	S	24	75	Nwcstl.	C	5	41
Cardiff	C	5	41	Nice	S	16	61
Cas'b'ca	F	16	61	Nicosia	S	17	63
Cape T.	C	25	77	Oporto	F	11	52
Chicago	S	9	47	Oslo	S	1	34
Cologne	R	7	45	Paris	F	17	63
Cpnhgn.	C	3	37	Perth	C	27	81
Corfu	C	15	59	Prague	C	3	37
Dublin	F	5	41	Reykjvk.	S	−2	28
Dbrvnk.	C	14	57	Rhodes	S	17	63
Ednbgh.	C	5	41	Rome	F	17	63
Faro	C	14	57	Salzbrg.	F	15	59
Florence.	F	15	59	Singapr.	S	28	82
Frankft.	C	7	45	Stckhm.	Sn	−1	30
Funchal	C	15	59	Strasbg.	F	11	52
Geneva	R	11	52	Tangier	C	15	59
Gibrltr.	C	11	52	Tehran	S	16	62
Glasgow	F	7	45	Tel Aviv	S	18	64
G'rnsey	R	4	39	Tenerife	F	13	55
Helsinki	Sn	−1	30	Tunis	S	25	77
H. Kong	C	21	69	Valencia	S	20	68
Innsbrk.	S	15	59	Venice	C	11	52
Invrnss.	F	5	41	Vienna	S	12	54
I.o.Man	S	7	45	Warsaw	C	1	34
Istanbul	S	13	55	Zurich	F	13	55
Jersey	R	5	41				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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